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THE REPORTER

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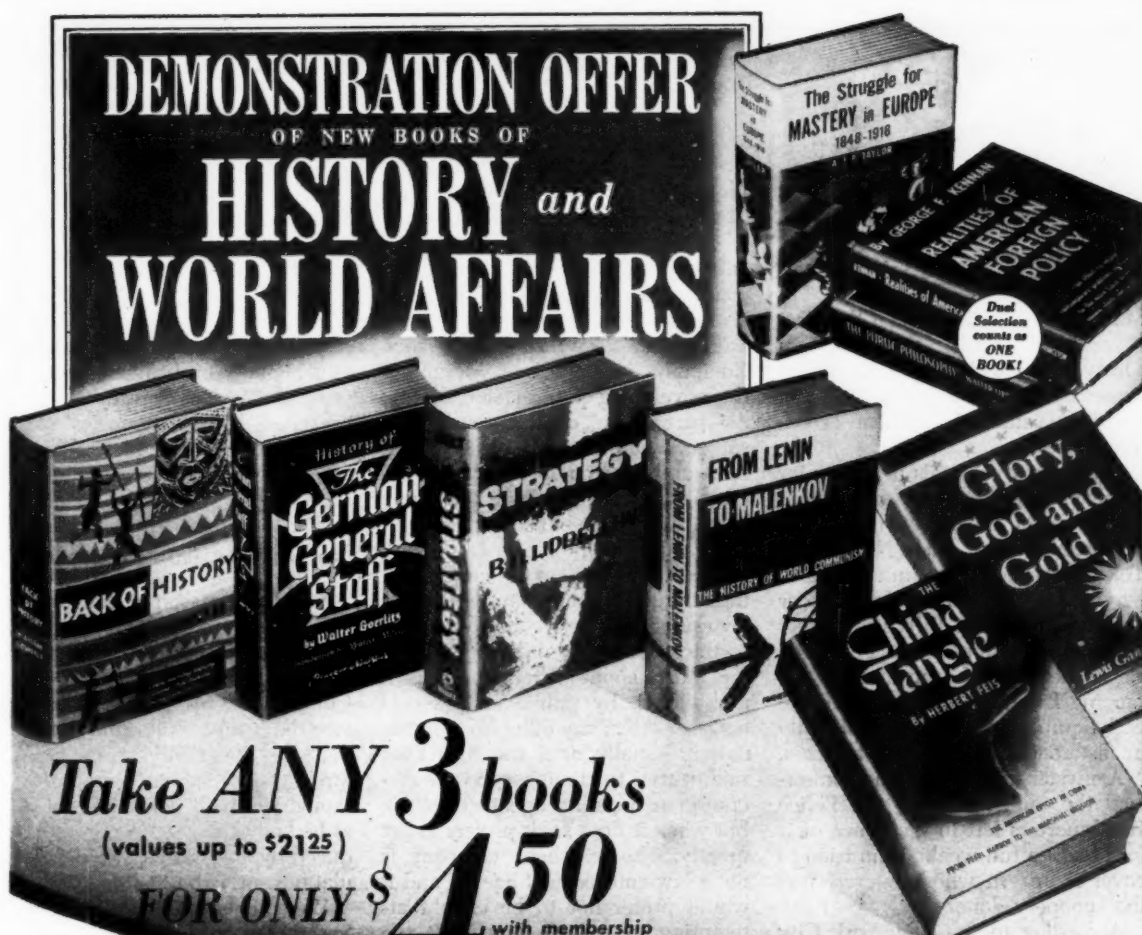
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THE REPORTER'S NOTES

The Flat on Fifty-fifth Street

Manhattan Island between the East River and Fifth Avenue from Thirty-sixth to Ninety-sixth Street comes as close as any area to being the nerve center of American executive life.

On February 11 this nerve center received a considerable shock. A raid by agents of the New York Police Department and the New York Telephone Company uncovered a wiretap center in a fourth-floor apartment on East Fifty-fifth Street whose installations offered clients an ear at the wires of firms and persons ranging from the eminently austere E.R. Squibb & Sons to the eminently unaustere ex-stripteaser Ann Corio.

A mystery remains. Who authorized the raid, and why was Police Headquarters left in ignorance of it for almost a full week? Who tried to cover it up? In whose interest was the snooping done?

According to the New York City Anti-Crime Committee, which broke the story, the Fifty-fifth Street center was set up two or three years ago by one or more private-detective agencies. One of these had on its payroll at the wiretap center a man named Carl R. Ruh, who was duly registered with state authorities as a private detective. But Mr. Ruh was also simultaneously employed by the New York Telephone Company as a circuit tester.

Why didn't the raiding party follow up at once with arrests and seizures? The answer goes to the heart of the problem. The law is clear enough. Under Federal law, all wiretapping is illegal, except under narrowly defined circumstances. Under New York law it is also illegal except by court order. The trouble is that the very agencies responsible for enforcing these laws are themselves among the greatest violators of the laws. Taking their cue from the Federal government, other law-

enforcement agencies across the country, not to mention private citizens and corporations, follow suit.

Thus the New York Telephone Company is only one victim of the enveloping pattern of collusion. As part of a continental system subject to government regulation, it must and does co-operate with government. The telephone company keeps a complete but secret list of all legal wiretaps. It is also frequently aware of and tolerant of many illegal taps by government, since it has its own private detective-and-police net to track them down. Thus it knows far more about wiretapping—legal and illegal, by public and private agencies—than any other body in the nation. Usually, as in the New York raid, it tries to eliminate the private-enterprise taps its agents turn up, but when it does so, it prefers to act quietly. The telephone company is not a law-enforcement agency and it would prefer not to be caught attempting to enforce laws that the lawmakers themselves ignore. It contents itself with saying, as it did

after the New York story broke, "We don't like wiretapping."

Neither do we. Neither do most Americans. Privacy is guaranteed under our Constitution; when the protection of privacy is first breached by the agencies of law themselves, it is inevitable that others will follow through the breach.

No Midgets, No Morgans

After a long season of Senatorial investigations designed to rewrite history, it is refreshing to find Senator Fulbright's Banking and Currency Committee starting one that looks into the future. Fulbright is examining the remarkable rises in Wall Street prices in recent months, although he freely concedes that as far as he knows they have not been produced by any specific frauds, manipulations, or wrongdoings.

We called on Robert Ash Wallace, Staff Director for the investigation, a big, cheerful-looking young man who formerly served as a legislative as-

TURNOVER

We're very unhappy about the French,
We're just as upset as they;
If you ask where a French Premier has gone,
The answer is "That-a-way."

Away went wonderful Mendès-France,
Gone are Pineau and Pinay,
The only thing that we're happy about
Is that Pflimlin didn't stay.

Poor Pflimlin drove the announcers mad,
Thank heavens, he won't any more,
And they can relax for as long as they name
A Premier called Edgar Faure.

(And what do you bet
His Cabinet
Is halfway out the door?)

—SEC

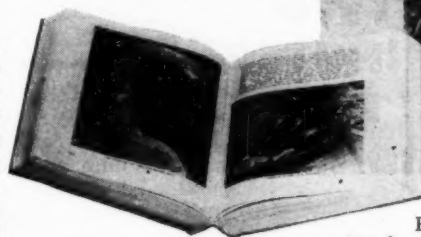


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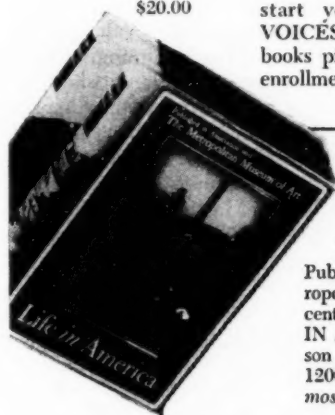
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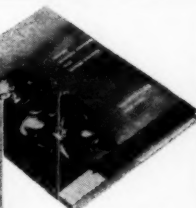


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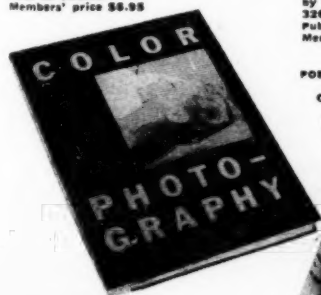


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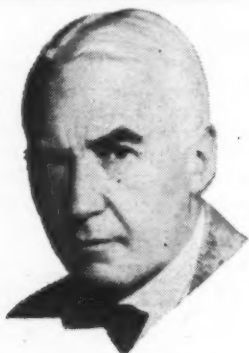
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—*BRUCE BLIVEN, *Harper's*
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BOBBS-MERRILL

sistant to Senator Paul Douglas. Though he has had graduate training in economics, Wallace quickly points out that the complexities of the stock market are quite new to him. "I bought ten shares of General Motors in 1942, held them for two months, and then sold them at a slight profit," he remarked. "I hate to think how much I'd have made if I had held on."

FOR A BEGINNER, Wallace has had a pretty interesting indoctrination course. The last two months he has spent a good deal of time hobnobbing with the heads of the Stock Exchange, senior partners in the brokerage houses, floor specialists, and the rest. As an outsider he was most struck by the atmosphere of confidence along Wall Street. In fact, whenever he alluded to a possibly gloomy future for the stock market, he got a practically universal reaction: Remove the capital-gains tax. "This is how they explain it," Wallace told us. "If a person bought stock years ago and it has gone up, it is really too expensive for him to sell it. So he holds on—and that makes a thin market. He can't make adjustments in his portfolio the way he'd like to."

Wallace himself has other worries about the reasons for a "thin" market. He thinks that a major problem is the enormous influx of institutional buying—that is, the stock purchases made by insurance companies, trusts, mutual funds, labor-union pension funds, and the like, all of which have large capital reserves to invest. These institutions go after the blue-chip stocks and then hang onto them

no matter what happens. It leaves fewer stocks for the other buyers to trade with.

How does the situation compare with the immortal 1929? Wallace was fairly optimistic. "It isn't bubbling and seething yet. There isn't undue gambling. Most important, there is more control and less room for stock manipulations." In 1929, \$8.5 billion worth of bank credit had been extended to brokers and dealers; today, only \$2.9 billion. The margin requirements for securing stocks then were as low as ten per cent; now they are sixty per cent. Then the average ratio of the price of a stock to its earnings was 19-1; today it is 14.5-1. In 1929, bonds were yielding a larger return than stocks; today stocks are still on top.

Wallace says it won't be a partisan inquiry. Some of the Wall Streeters feared this at the beginning, but now they are pretty well satisfied. Of course a few partisan notes may be sounded now and then. Perhaps someone like Senator Douglas will take the opportunity to twit William McChesney Martin, Jr., Chairman of the Federal Reserve Board, for loosening credit restrictions in Wall Street last year while tightening them everywhere else. That sort of thing, says Wallace with a sly grin, is legitimate.

Return to Yesterday

After nineteen long days, the French Assembly finally chose Edgar Faure to be its Premier. M. Faure is a smart, amiable young politician whose elastic friendships run from

DIAL TONE

With a tap, tap, tap and a slow dark stain
Down comes the silent eavesdropping rain,
It seeps through the cellar,
It leaks through the walls,
The tap, tap, tap
On our telephone calls.

So are the bounds of our private domain
Breached by the gentle eavesdropping rain,
And the sound of the flood
Rising higher and higher
Is the tap, tap, tap
On liberty's wire.

—SEC

THE REPORTER

the mild Left to the extreme Right of the French Assembly.

To assist him, M. Faure chose men of the Right to make his Cabinet. A few young men of quality were given minor posts to perfume the Cabinet with the bouquet of youth. But the key spots went to old men, comfortable men like Antoine Pinay and Robert Schuman—men who would soothe the ruffled nerves of an Assembly too long disturbed by the vigor of Mendès-France.

The Faure Cabinet may last a long time—perhaps even as long as intended, which is until the next national election fifteen months hence. But to last that long it must conform to a well-established pattern of French politics. Since 1946, only two kinds of Cabinet have governed—liquidationist or static. A liquidationist Cabinet—like that of the Ramadier Government of 1947, which liquidated the Communist coalition, or like that of the Mendès-France Cabinet, which disposed of both the war in Indo-China and EDC—gets its strength when a majority can be gotten together to oppose or hate something; it falls when it attempts to strike out on its own. A static Cabinet gets its strength by avoiding doing too much. These static Cabinets—like those of Queuille, Pinay, and Laniel—are usually the longest-lived. Mendès-France had done the unpleasant jobs the majority of Parliament wanted; then he tried a constructive one—colonial reform in North Africa—and fell.

The new Faure Cabinet, by judicious mixture of young and old, of America haters and America lovers, of neutralists and Atlanticists, of EDC partisans and opponents, promises everything to everybody. Hence it will not do much, but should have staying power.

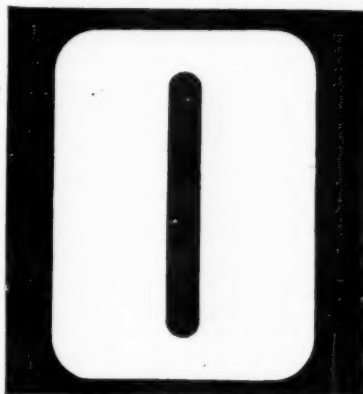
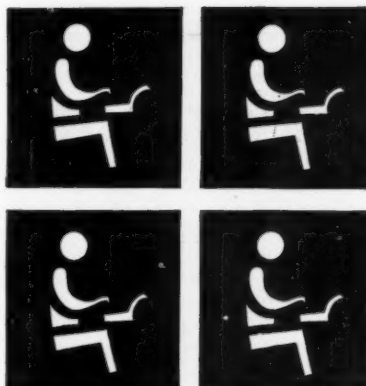
The Texan Way

In Texas they do things in a big way. We note, not without envy, that *Facts Forum News*, the monthly magazine dedicated to propagating the views of oilman H.L. Hunt, has just had a circulation bonanza. Mr. Ben H. Wooten, president of the First National Bank of Dallas, has presented fourteen thousand gift subscriptions (\$2 each) to the presidents of all the banks in the nation.

March 10, 1955

5

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ROADS

To the Editor: It is probable that there will be general approval of the Administration's plan for an enlarged public-roads program involving ultimate expenditures, Federal, state, and local, of \$100 billion. But just as interesting will be the reaction of the public and of Congress to the financial trickery that seems to be involved. The plan calls for expenditure by the Federal government of \$24 billion over the next ten years in addition to work already laid out. The government would not, as it has been doing in the past, pay for this work as a current expenditure item in the budget, but would create a new lending agency with authority to issue government-guaranteed bonds, and would borrow the road money from that agency with repayment to be made over a period of thirty years. The principal and interest on the bonds would be paid by the Treasury as a budget item. It is announced in the publicity material given out that this lending agency would be "like the RFC," to which in fact it would not bear the slightest resemblance.

This is most plainly and crassly a scheme for falsifying the Federal accounts in the interest of a balanced or near-balanced budget. The bonds will be bonds of the United States Treasury masquerading as bonds of an agency that will have no assets except a claim on the Treasury. It represents one further step in a plan to falsify the Federal budget by setting up what amounts to a capital budget and isolating it from the record of current receipts and expenditures. It goes a bold step further than the Dixon-Yates contract, which has the same underlying purpose, and the "lease-purchase" scheme for constructing government buildings which Congress eagerly approved as representing a new version of the annual Rivers and Harbors pie counter. It would be well for Congress to look squarely at this problem and see if it would not prefer an honest capital budget.

HERBERT GASTON
Santa Monica, California

THE YOUNG KILLERS

To the Editor: The article on the boys from Brooklyn by Marya Mannes ("The 'Night of Horror' in Brooklyn," *The Reporter*, January 27) is by far the most intelligent and perceptive of any I have read. That she has seen this episode in the larger perspective of our culture, and not in isolated and local terms (as most other observers have done), does her and *The Reporter* great credit. This is the point of view I have tried to stress in my Hacker Foundation Lectures (*Time*, December 6, 1954); the point of view which I believe must prevail if we are to find our way out of current confusions.

I would, however, take strong exception to the notions implicit in the reported interview with Dr. Frederic Wertham, and with that distinguished gentleman's entire thesis about the influence of comic books, etc. If these, and related phenomena like television, the

motion pictures, *et al.*, play any role in the production of violent behavior, that role must be entirely derivative. The whole cultural trend, the whole social-political climate of the times, is the evocative precipitant of the tide of violence we are witnessing—as Miss Mannes so wisely observes.

ROBERT LINDNER, M.D.
Baltimore

To the Editor: "But Wertham went further. He got permission from Judge Barshay to examine Koslow as much as he wished before the trial, and the psychiatrist spent many hours with the boy, gaining his confidence. Since he believes that the violation of this confidence is not only permissible in such special circumstances, but might be helpful in the interests of truth, Wertham has told this writer the essence of these interviews. What follows is a paraphrase of Wertham's notes and comments on Koslow."

Dr. Wertham has strange ideas about confidence. Just as jurisprudence admits of no degrees of violence—a finger or a hammer laid upon another's person is the same—so, I thought, there are no niceties allowed in the violation of confidence.

What of Wertham's patients? I don't doubt that any of those troubled persons reading this article will consciously (almost surely unconsciously) begin a strategic withdrawal of confidence from him. Who knows when a patient will become a "special circumstance . . . in the interests of truth?"

And what of the patients of those psychiatrists who do not follow Wertham's way? This unfortunate statement of Wertham's must add to their conflicts too. For many patients, confidences are the only island of security they have ever had. Wertham most effectively undermines this island. His blindness must be very great indeed if he can find no other alternative in serving truth than the violation of sacred confidences.

The entire article is troublesome. Marya Mannes depends heavily on such eighteenth-century observations as "It was no effort to see evil in Jack Koslow. . . . Mittman's hands, abnormally short and thick, with hair on the fingers, made one inevitably imagine them pounding flesh." These after-the-fact rhetorical, glibly offered as insights, serve only to clutter up the enormous problem the four boys represent.

It is disappointing to find this approach in a Mannes article. And wearisome too that she should lend herself to complicity with Wertham in the denigration of professional ethics.

JOHN A. HORNBERGER, JR.
Peoria, Illinois

To the Editor: Because Koslow, the principal character in Marya Mannes' "Night of Horror," for ten years or more was diagnosed and recognized as a psychotic becoming progressively dangerous, his story is one of a horrifying sickness. Actually, his was a sickness that demanded destruction and death. The fact that Koslow was on the

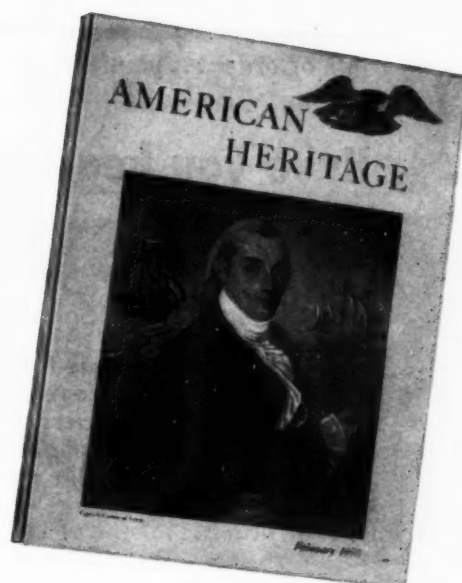
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loose is where his parents, the parents of
the other boys, the police, society, you and
I—all of us—must subject ourselves to that
indicting question—WHY?

Koslow was fascinating to others even as
plenty of other destructive forces have been
fascinating through the ages. Just so long
as we permit diseased persons like Koslow
to move about among us, with no super-
vision, with no restraint, there will be fur-
ther Nights, yes, I am sorry to say, Days
of Horror. We must learn that there is no
coexisting with a madman.

I sincerely hope that some good will result
from stressing the personal and social pa-
thology so clearly involved in these facts.

KENNETH D. JOHNSON
Dean, New York School
of Social Work
New York

To the Editor: Koslow's physiognomy may
not resemble Tyrone Power's, but the
Mannes treatment was completely unneces-
sary. "It was no effort to see evil in Jack
Koslow... So manifest was his sickness of
soul... His skin... dead green-whiteness,
in eerie... conjunction with thick hair
... without shine, receding... in a high
crest. His features are delicately ugly:
a long thin curved nose with a sharply
articulated ridge... derisive mouth, lips
colorless... a weak but bony chin...
undeveloped neck. His eyes seem pupilless,
and their look is hooded as if by a trans-
parent extra lid... his narrow head hangs
forward from his body like a condor's."

The boy was convicted of a terrible crime
and will be justly punished. Is it necessary
to add fuel to the universal sentiment
against him? Had he been a Negro in a
small Southern town, an article such as this
might have been the spark to set fire to a
lynch mob.

FRED BERMAN
New York

Miss Mannes replies:

"I describe what I see."

ISLANDS

To the Editor: "They sent ships as a re-
inforcement to [the island]. Their in-
structions were to avoid battle with the C's ex-
cept under the following circumstances. If
the C's sailed against the island with the
intention of landing on the island itself or
at any point in its territory, then they were
to do whatever they could to prevent it."

With C's meaning Communists, this reads
like a quote from a report on American
activity in the Far East.

But with C's standing for the Corinthians,
this is a quote from Thucydides, writing
2400 years ago. Thus started the Pelopon-
nesian War, which lasted twenty-seven years
and destroyed most of the then known world.

H. KONINGSBERGER
New York

WHO'S AN EGGHEAD?

To the Editor: Miss Halsey's thoughtful
survey of what is taking place in the name
of security ("The Natives Are Restless To-
night," *The Reporter*, January 13) should
appear in every newspaper in the land. Our
country was founded by courageous men
who fought for the Bill of Rights, and I

hope to see the time again when prominent attorneys will rise to defend it and when an accused person will know that justice is not an idle word but a lofty ideal in our tradition.

ETHEL COHEN
Oakland, California

To the Editor: I have always resented the vulgar anti-intellectualism of the term "egg-head," but reading Margaret Halsey's piece in your January 13 issue has driven me to admit reluctantly that there are times when nothing else will serve. Miss Halsey's distortion of issues and values cannot be described in any gentler terms.

She states a blind bias by saying that she has "stubbornly refused to accept Whittaker Chambers at any price." Who wants her to accept Whittaker Chambers? The man produced some evidence which was duly considered and acted on in a court. Is she indicting the integrity of the courts and juries in this case and other cases, or is she setting herself above them?

The rejection of the reliability of any witness who hasn't the caliber of General Marshall must surely set some kind of record in eggheadedness.

The French have a saying for the position Miss Halsey takes—"C'est un animal méchant qui se défend." How can Miss Halsey have so little faith in our willingness to remedy such faults as she points to? How can she totally ignore, for example, the Senate's action against McCarthy, the election, the ensuing revisions of Congressional committee rules?

This article is the distilled essence of muddled anti-anti-Communist breast-beating, and I am disappointed in *The Reporter*, which is doing such a brilliant and necessary job, for giving it currency.

PAUL GANGLIN
Hollywood, California

'DOING GOOD'

To the Editor: I have read William Lee Miller's articles on Norman Vincent Peale and Reinhold Niebuhr; also the article on the Protestant Group Ministry working in East Harlem (*The Reporter*, January 13). I agree with the laudatory appraisal of Reinhold Niebuhr, but I find the comparison between Niebuhr and Peale offensive. The article on Dr. Peale is pusillanimous.

Why a professor of religion at Smith College or any other college should write on or about Dr. Peale as Professor Miller has written is beyond my understanding. Niebuhr and Peale each has a ministry of distinction. Each is unique and, in my opinion, pre-eminent in his field. Peale, however, reaches that vast audience unreached in your time or mine by any other Protestant clergyman. He not only reaches it—he ministers to it. His message, which in presentation is unique, both comforts and challenges to action. Always his gospel is Christ-centered. But the Christ he preaches from his pulpit, in his books, on the air and everywhere is the Great Physician of the body and soul, Whose shorter biography is comprehended in five words: "He went about doing good."

DANIEL A. POLING, Editor
The Christian Herald
New York

March 10, 1955

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WHO—WHAT—WHY—

WE DO NOT believe that the fuze that is burning in Formosa will necessarily produce an explosion. But if catastrophe is to be averted action must be taken. **Max Ascoli's** editorial proposes the action we should take on Formosa—and beyond Formosa. Ever since the Korean War started, *The Reporter* has consistently concentrated its attention on the Formosan people—those Irishmen of the China Sea. We have not been a voice crying in the wilderness but have been supported by competent writers who have given us the benefit of their experience and documentation. We now present the cogent argument of **J. Raymond Dyer** that Formosan independence has been a centuries-old aspiration of that island people. Mr. Dyer is a St. Louis attorney who has been studying Formosan history ever since the time when, as an officer in the Navy, he was given special training on the social and economic conditions of the island.

How the islanders feel at present is reported at first hand by **Preston Schoyer**, who for years has known Formosa and its people.

It is often said that Formosa is of great strategic value to the United States. Brigadier General **Thomas R. Phillips** (U.S.A., Ret.) is definitely of this opinion, but he makes the point that the strategic value of any position is a relative and not an absolute. It depends on the kind of power that is brought to bear on or from the spot called strategic.

IN A RECENT SPEECH before Americans for Democratic Action, Mr. Benjamin Cohen remarked: "Confidence in the President is no substitute for intelligent discussion and understanding of issues which may determine the future of the whole civilized world." Our Washington Editor, **Douglass Cater**, reports how, unfortunately, there was very little intelligent discussion on the part of the Democrats during the recent Senate debate on Formosa.

Martin Mayer, a free-lance writer, has prepared a book, *Wall Street:*

Men and Money, which will be published by Harper & Brothers this spring. We extract a section that analyzes one of this country's major brokerage firms.

Recently returned from Europe, **Blake Ehrlich** reports on a movement that reflects the ancient mistrust of the French people toward government. In their opposition to a cumbersome and complicated system of red tape the followers of Pierre Poujade may have a case. But **William Harlan Hale's** account of his difficulties in resigning from the U.S. Foreign Service shows that the French have no monopoly on red tape.

In a Note not long ago we expressed our qualms about experts; yet our readers would have every right to complain if we brought them no expert interpretation of the recent changes in Russia. Though to a great extent everything concerning this subject has to be guesswork, we are glad to present thought-provoking views by two well-informed writers: **Vernon Aspaturian**, assistant professor in the Department of Political Science at Pennsylvania State University, and **Isaac Deutscher**, a regular contributor to the *Manchester Guardian* whose opinions are widely published in Europe.

John Steinbeck, Pulitzer Prize novelist, needs no introduction. We are happy to welcome him to our columns.

Conservative criticism of democracy is once more very fashionable. But it is important to remember that what is now being said by so many bright young and not so young men has been said before and better a long time ago, and pre-eminently by such a man as Lord Acton. **Francis Downing** teaches in the Division of Political Science at Pratt Institute in Brooklyn.

Donald J. Hall, who describes his visit to the birthplace of the great Italian poet Leopardi, is an English poet, writer, and former government official.

Our cover view of the Far East is by **Paul Nonay**.

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Recurrence to Principle

THIS FOREIGN policy of ours has as its broad objective the effort to enable our people to enjoy in peace the blessings of liberty." Thus Secretary Dulles spoke in New York at the Foreign Policy Association and, in almost identical words, he later addressed his fellow delegates at the opening of the Bangkok conference. In fact, there is scarcely a major speech by our Secretary of State that does not start with an invocation to the "blessings of liberty." He could not have chosen a nobler or truer idea. Unfortunately, even the noblest and truest ideas are enfeebled by gramophonic repetition.

The Secretary himself, in a speech last year at Williamsburg, quoted the document—the Virginia Bill of Rights—to which he owes his pet phrase: "No free government, or the blessings of liberty, can be preserved to any people but . . . by frequent recurrence to fundamental principles." We submit that this is a time, as never before in our history, when such a "recurrence" is imperative.

The first of these principles is that the blessings of liberty must be earned, and they are not earned by anybody, individual or nation, who lets himself be boxed into situations without any foreseeable alternatives—into situations conducive to a dreaded disaster while the will or the means to prevent it are either inadequate or unavailable. Yet this is the condition of our country today: Ultimate disaster brought about by the mass production or "plenty" of nuclear weapons on both sides comes nearer with each tick of the clock. "The balance of terror" that Churchill has talked about is leading to a balance of death.

Our government has taken a number of initiatives on the very issue—Formosa—where our conflict with the Communists is the sharpest. But in so doing, and in spite of its good intentions, it has increased the hazards inherent in an already frightening state of affairs—hazards of inter-Allied disunity, of miscalculations on the part of American military leaders, and, last but not least, of enemy provocation.

If so much room has been left to chance, if the Administration's freedom of action is so hemmed in by

Republican potentates like Senator Knowland, spurious allies like Chiang Kai-shek, and partisan military leaders like Admiral Radford, then how can Mr. Dulles go on orating on the blessings of liberty? We are hardly entitled to any blessings, for we have no liberty where we need it most: liberty of action, liberty to devise alternatives in the conflict with Communism that might lead to solutions other than total disaster. Only we and our major Allies can gain this liberty. The Communists cannot. They are accustomed to glide on so-called irresistible trends; indeed, they only know how to bring about what their dwarfed minds think is inevitable. They are in love with necessity, and all their demonic energy is focused on speeding up its march so that slavery may be clamped all over the world and—like all the Russian Five-Year Plans—ahead of schedule.

But we who want to earn the blessings of liberty should know better. We have not the blinders of an absurd notion of predetermined history. We should know how to set a course of our own and how to create what the poor Communists call "deviations"—deviations from their inevitable—and make them stick.

Clarity 'As Such'

About Formosa, for instance, which is the immediate test. It has been said by many, and not only in our country, that the situation along the Formosa Strait would improve greatly if the entirely unnecessary hazard represented by the American guarantee of the offshore islands were removed. In his Foreign Policy Association speech, Mr. Dulles made this point as clear as he could: "The United States has no commitment and no purpose to defend the coastal islands as such. I repeat, as such." It is also said that if these islands are dealt with "as such," seventy-five or so miles of blue water will stand between Mao's armies and the former Japanese possession that our country rightly does not want to see fall into Communist hands.

The practitioners of liberty can certainly think of something more effective than blue water, a stalemate, or, at the utmost, a cease-fire, to avoid the conflict. They

can set to work so that those who are contending over Formosa are kept apart by a span, not only of water but of precious time. During this time—four or five years, for instance—the United Nations could acquire temporary jurisdiction over Formosa, so that the people of the island would have a chance to test their fitness for self-government and finally to decide about their own destiny. Their insularity, if temporarily protected by the will of our country and of the United Nations, could give them a chance that the Chinese on the mainland never had: the chance of acting like human beings capable of working out their own alternatives and of making their own choices.

Nehru and the other leaders of India have stubbornly maintained that Formosa belongs to Red China. That is a very good reason why Indian representatives should be invited to have a close look at the Formosans. Those militant foes of colonialism and imperialism badly need to know how the wishes and the happiness of men can be jeopardized by quite a number of other *isms*—nationalism, for instance. This western *ism* has been adopted in the East so indiscriminately as to harden into a dogma the principle that all men who are said to belong to what is said to be a nation have no choice but to be swallowed up by the new Leviathan. The Indians, who can move with comparative ease in Communist China and can therefore know what nationalism becomes when doubled with Communism, should keep this knowledge very much in mind when they look at the particular traits and wishes of the Formosan people.

During this span of time when Formosa is a ward of the United Nations, the two antagonistic systems of government and conceptions of life, democracy and Communism, should be freely presented to the Formosans. This may be hard on the Communists, but they, who have advocated "free elections" in several other parts of the world, would not be on particularly solid ground in refusing them for the island. As far as the democracies are concerned, they should not be afraid to take the chance—considering the record of those occasions when believers in Communism and in freedom have met on fair and equal terms. Of course there would be major dangers on all sides: danger that the World Civil War might be transformed into an experimental civil war in the streets, in the plains, and in the mountains of Formosa, and the danger that the island might be turned into a sort of World's Fair of coexistence. But a start has to be made somewhere; Formosa may well be the spot.

One condition is essential before the experiment in Formosa can lead anywhere: There should be a far larger number of nations participating in it than the major powers, and negotiation or limited co-operation between the democracies and Communism should not be limited to Formosa. Formosa should only be the

focus, the specific point where action must be taken because it is there that the fuze is burning.

The Measurement of Stature

Secretary Dulles probably was moving in the right direction when lately he gave rather clear indications that he hoped to find a Tito in Moscow rather than in Peking. He used, however, a rather dangerous cliché, popular during the war, when Roosevelt and Churchill considered their co-belligerent Stalin a full-fledged ally. Mr. Dulles appealed to "Russian nationalism," as if nationalism were synonymous with virtue, or at least with decency. Indeed, he was incautious enough to entreat "Russians of stature" to come out and negotiate with the American government, offering these pedantic imitators of whatever we do or say a chance to answer, "likewise." Yet, in spite of all this awkwardness, in spite of his disclaimer of any intention to defend the coastal islands "as such," Mr. Dulles and the President have made a start. But they are moving in a halting, timorous way that lends itself to all possible misinterpretations and accidents—a way that fails to impress the enemy and to rally our friends.

We need to proceed with the greatest possible deliberation and effectiveness. Yet there is not a moment to waste in Formosa, at the disarmament conference, wherever we are facing Communist power. The more time goes by, the more we rely on nuclear weapons, the more difficult it becomes even to conceive of a disarmament plan implying the outlawing of these weapons, for the Communists, different from us, still keep millions of men in military formations designed to fight conventional wars.

To redress the balance and to protect the country against all the hazards both of armament and disarmament, it is the duty of our government to take the initiative wherever the danger is greatest and to be the first to denounce to the world the irreparable harm that would result from nuclear weapons in warfare. It is also the duty of our government to prove what blessings mankind can derive from the peaceful use of atomic power.

The extraordinary thing is that our government in its lumbering way is moving and has moved in all these directions. It has moved on Formosa but is still stuck on Quemoy and Matsu "as such"; our people know infinitely more about nuclear fall-out than those in Soviet Russia, but not nearly enough. Fifteen months after the President made his great speech at the U.N., the international development of atomic power has not gone very far.

YET THE BLESSINGS of liberty can be earned only by those who believe in liberty and practice it. To this fundamental principle, in the words of the Virginia Bill of Rights, we must "recur."

Who Are The Formosans?

J. RAYMOND DYER

FOR the past five years, we have heard a great deal about Formosa but very little about the Formosans. Yet if we are to talk about the "vital stake of the free world in a free Formosa," as President Eisenhower did in his January 24 Message to Congress, we should first know what we are talking about when we say "free Formosa."

The Legal Position

Formosa was a Japanese colony from 1895 until the close of the Second World War. Today, Chiang Kai-shek's Nationalist Government occupies it and exercises de facto sovereignty over it, but no de jure recognition of Nationalist sovereignty over Formosa and the Pescadores has ever been accorded by the United States government or any other.

When President Roosevelt and Prime Minister Churchill met with Generalissimo Chiang at Cairo during the war, they pledged themselves and their governments to "restore" to the Republic of China Formosa and the Pescadores, which had been "stolen" from China by Japan. But although Great Britain recognizes the Communist government, Sir Winston has recently declared that the Cairo declaration is out of date. We, of course, do not recognize the Communist Chinese régime. The peace treaty with Japan finally signed in 1951 did no more than abrogate the sovereignty of Japan over Formosa without bestowing that sovereignty anywhere else. We have signed and ratified a Mutual Defense Treaty with the Nationalist Republic of China. In this treaty the territories referred to in respect of the Republic of China were specified as Formosa and the Pescadores. But in passing the treaty, the Senate

declared that this did not in any way affect the legal status of these islands. At the present time, no one has sovereignty over Formosa.

The issue of Formosa has become an international problem. Certainly we would not be interfering in a civil war if the Communist Chinese invaded Formosa and we entered the conflict to hold them off. But neither would we be interfering in an internal matter if we concerned ourselves with the kind of government which the Nationalists on Formosa are in fact imposing on the Formosans. We have the right to ask that the wishes of the Formosans themselves be considered.

The Aborigines

Historically, the Formosans are no more Chinese than the Mexicans are Spanish. The original settlers who came to Formosa some two thousand years ago were of proto-Malay stock. Before most of them became assimilated among themselves and with later comers, they comprised numerous tribes. At present there are only seven tribes of pure aborigines. The peoples of two of them bear direct relationship, respectively, to the Tagalog and Igorot peoples of the Philippines. The people of one of the tribes closely resemble the Dyaks of Borneo. Those of another, the Tsuo tribe, closely resemble both in culture and features the North American Algonquin tribes. The Ami, another tribe of Formosan aborigines, are, according to ethnologist Carl von Hoffman, a Polynesian people. That all came from the south, and not from the Chinese mainland, is accepted by anthropologists as undisputed.

Not more than 160,000 of them remained on Formosa at the time of



the last Japanese census. But the others had not died off, as had the aborigines of Tasmania; through the centuries they had blended with peoples coming to their island.

These different proto-Malay tribes settled different parts of the island. The Taiyals and the Paiwans on the west coast were the tribes with which the Chinese first came in contact. The name "Taiwanese," by which the Chinese called these people, was a contraction of the names of these two tribes. The Japanese adopted the Chinese name Taiwan for the island.

The first recorded Chinese incursion against the Formosan aborigines was in A.D. 605, over a thousand years before Jamestown was settled. The Taiwanese in turn raided the Fukien coast of China opposite and such raids and counter-raids went on for centuries. In an age when rape was considered a legitimate practice in war and slave concubinage an accepted way of Oriental life, many of the west coast Taiwanese began to look like the Chinese.

Japanese and Portuguese

Early in the sixteenth century Japanese trading settlements were established on the north coast. But Japanese women did not come to Formosa; it was too dangerous. So the women of the Japanese settlements were all aborigines, and another ingredient was added to the racial strain. In the south, Chinese pirate traders held sway over most of the ports, subject to constant harassment by the Formosans. But on the east coast and in the mountainous interior, the Formosan aborigines continued unmolested by outsiders. Some of the tribes intermingled

freely with each other and also with the Japanese, who were racially somewhat akin, but some did not. At that time it was the Chinese pirate looters who were hated by the Formosans and not the Japanese traders.

Counting on that and expecting that the Formosans would become his allies, the Japanese governor of Nagasaki, Toan Murayama, attempted the conquest of Formosa in 1615. He did not have much difficulty in ousting the Chinese, but he completely misjudged the temper of the Formosans. He was beaten, and on his return to Japan was executed for disrupting Japanese commerce. The Japanese trading settlements, though temporarily abandoned, were soon re-established with the sanction of the Formosans. The Chinese pirate traders came back too.

It was the Portuguese in the sixteenth century who became the first Europeans to sight the island. They christened it *Ilha Formosa*, "beautiful island." The Spanish came to Formosa in 1626. They settled in the north, established Christian missions, drove out the Japanese traders, set up schools, and converted many Formosans to Christianity.

Dutch and Chinese

Early in the seventeenth century, the Dutch came to Formosa. In 1622, having established a small depot on Formosa at what is now Anping, the Dutch seized the Pescadores. This meant that the Chinese pirate traders, sailing those waters in their none too seaworthy junks, no longer had the harbors and leeward shelters of the Pescadores to put in to. To regain them, the Chinese officials of Fukien Province obligingly "ceded" the Japanese settlement of Anping to the Dutch, and with it all Chinese claim to Formosa. The Pescadores meant little to the Dutch, whose ships were more seaworthy, once the harbors of Formosa were open to them.

The Dutch who came there were primarily traders and exploiters, backed by soldiers, but they were also good organizers, and they organized the Formosans with whom they came into contact. They also taught some of them to speak Dutch, and added some Dutch blood

to the Formosan bloodstream. In 1642 the Dutch drove the Spanish out.

But the Dutch, who had been permitted to retain their trading stations in Japan, never organized their various Formosan holdings on a centralized colonial basis. That later proved their undoing. Commencing in 1642, a series of crises in China during the Manchu invasion of that country drove many Chinese to Formosa, some as Ming loyalists (like the Nationalists some three hundred years later), some merely as refugees in economic distress. For the first time the Chinese coming to Formosa were not merely pirate traders but agricultural settlers. Between 1623, when the Dutch first came in any numbers, and 1662,

from Amoy by the Manchus, he took the Pescadores from the Chinese, whose garrison had been called to the mainland. There he gathered a sea force of some twenty-five thousand. He trained it for eleven years and then, in 1661, descended on the Dutch forts of Providentia at Tainan and Zeelandia at Anping. After nine months of fighting the Dutch capitulated, completely overwhelmed. Next year they tried to recapture their strongholds, but were beaten off.

The kingdom of Koxinga was formed and the first independent government of Formosa came into being in 1662. Koxinga soon died, but his son carried the rebellion to the north. Both had managed to weld the conflicting Formosan factions together. In 1668 the last of



when they were driven out, the Chinese population on Formosa increased to nearly fifty thousand. The permanent Dutch inhabitants numbered only some three thousand, mostly soldiers.

A National Hero

This presented an opportunity the Formosans, augmented by the Chinese newcomers, were not slow to grasp.

There arose a remarkable Formosan national hero named Koxinga. Born in Japan of a Fukien Chinese pirate-trader father, nominally Christian, and a Japanese mother (who, Formosan legend has it, was really an aboriginal Formosan), Koxinga inherited from his rich father a fleet of some three thousand junks. His father had served the Portuguese at Macao and from him Koxinga learned the art of European warfare. In 1651, after being ousted

the Dutch left for Java. For the first time in history, an Asian war lord had wrested an Asian territory from a strong European power and had set up an independent government in its stead. That is the heritage of freedom the Formosans cling to.

It was not the Chinese who, in the seventeenth century, drove the Japanese out of Formosa. It was the Spaniards and the Dutch. And it was not the Chinese who drove the Dutch out, after the Dutch had driven out the Spaniards. It was Koxinga. That gave to the Formosans a distinction no other Asian people could claim.

The Manchus

But Koxinga's son was not satisfied with his Formosan kingdom. Like the Nationalists today, he wanted to invade the mainland. His forces made frequent invasions of the China coast, and went up the Yang-



tze as far as Nanking. These expeditions frittered away much of the strength of the Formosan kingdom.

Then, in 1683, the Manchus, through bribery and guile, enticed Koxinga's twelve-year-old grandson, who had succeeded to the Formosan throne on the death of his father, to Peking. There he was forced to give up his throne, receiving in return the high-sounding title of Sea-quelling Duke. The Manchus took over Formosa. However, they took it over by infiltration rather than by conquest.

Much of the Chinese immigration to Formosa ceased in 1683, with the fall of the kingdom of Koxinga and the infiltration of the island by the Manchu overlords. The Manchu overlords discouraged immigration, a policy the Japanese copied more than two hundred years later. Formosan Chinese were in a constant state of rebellion, and the Manchus did not want to have anything more on their hands than they could cope with.

THAT the Formosan Chinese were disaffected is not surprising when it is remembered that most of them, at that time, were Ming loyalists, and that Ming loyalists hated the Manchus. Furthermore, their spirits, like those of the aborigines, were fired by the memory of Koxinga. In common cause they rebelled against the Manchus.

Twice they threw off the Manchu yoke, once in 1722 and again, for three years starting in 1786, during the period known in Formosan history as the Great Rebellion. After

that there were many unsuccessful rebellions—the last in 1884, when, seizing the opportunity afforded by a French naval victory over the Chinese at Keelung, the Formosans struck, only to be repulsed by their Chinese masters with bloody losses.

The 'Butterfly Republic'

There was one other period in their history besides Koxinga's when Formosa was free: That was for a dramatic five-month period in 1895, as the Republic of Formosa. It is strange that so little has been said about it. At the time of its formation the *New York Tribune* for May 26, 1895, carried the announcing headlines on its front page: A REPUBLIC IN FORMOSA—FOREIGN POWERS INFORMED OF THE ISLAND'S INDEPENDENCE. Indeed, for five months that "Butterfly Republic," as it was later called, was the de facto government of Formosa, reported as such in the log of the old U.S.S. *Concord*, which was lying off Tansui at the time. The postage stamps of the Republic of Formosa are collectors' items, and its flag is an even rarer museum piece.

The Formosan Declaration of Independence, on May 23, 1895, came about as the result of the Treaty of Shimonoseki, which had been ratified by China fifteen days earlier. That treaty ended the Sino-Japanese War. In it China relinquished all claim of sovereignty over Formosa and undertook to cede the island to Japan. It did so as the price it had to pay to keep the Japanese Army away from Peking. Since the armistice excluded Formosa from its terms, the treaty

left Japan free to carry on its war there. To conquer Formosa, the Japanese had to fight the Formosans, not the Chinese. And when China "ceded" Formosa to Japan, just as the Chinese officials of Fukien Province had "ceded" it to the Dutch 272 years earlier, China gave up what did not belong to China, at least in large measure.

True, the Chinese government exercised what in international law is called a "sphere of influence" over the island, and by the Treaty of Shimonoseki "ceded" that, but as far as actual jurisdictional sovereignty was concerned, China's ownership of Formosa was limited to the north, west, and south coastal cities and their contiguous agricultural hinterlands. In the mountainous interior and on the east coast, China exercised no sovereignty whatever.

Indeed, from 1867 onward, China had officially disclaimed jurisdiction over the peoples of the east coast and the mountainous interior. These, very much like the Indians of our own West at that time, harassed travelers and menaced foreign shipping with their raiding. Admiral Bell of the U.S. East Asia Fleet proposed that our government should require China to extend its protective jurisdiction over east Formosa. But nothing came of the proposal. China continued right down to the Treaty of Shimonoseki to disavow all responsibility for the actions of the east-coast Formosans. Nor was China ever successful in subduing the mountain people of the interior.

'Literati and People'

The Republic of Formosa's Declaration of Independence, a curious document in this day, and one that seems to have been lost sight of by our government, was made public to the people of Formosa and cabled to the European and American powers and to the Emperor of Japan on May 23, 1895. By it the "literati and people of Formosa" expressed their "determination to resist subjection to Japan" and "declared themselves an independent Island Republic."

The Republic of Formosa came into being because of the resentment of the Formosans at having been sold down the river to Japan, and because of their deep-rooted desire

to be free from all overlordship. It was a comic-opera republic in some respects, with a former Montana bartender as Minister of War, and former Chinese officials as its leaders. But the Formosan population supported it and Formosan soldiers died for it, and it succumbed only to the overwhelming superiority of the Japanese.

Japanese Rule

Then followed fifty years of Japanese rule. The Formosans were suppressed, but they were pushed together—by, among other things, being made to learn Japanese. They clung to such of their old customs as were permitted, but they could not help adopting many of the forcibly imposed customs and much of the culture of their conquerors.

During the period when Formosa was a Japanese colony, Japanese nationals held all key government posts and were the executives, foremen, and teachers. They transformed the Formosans into a people even more distinct from the mainland Chinese than they had previously been. They instilled in them an appreciation of the order and security of life and property achieved by the Japanese administration. Freed from the pulling and hauling of Chinese politics and the extortions of Chinese officialdom, the Formosans were welded into one people—a far more homogeneous people than the mainland Chinese.

The Japanese occupation brought relative economic prosperity to the Formosans. Japan imposed a technological revolution in both industry and agriculture that put Formosa well ahead of the Chinese mainland. Nevertheless, the Formosans wanted freedom, and the Japanese knew it. When, following the "China Incident," the first Chinese bomber came over the Formosan capital on February 18, 1938, the Japanese alerted their anti-aircraft guns around the public buildings before they sounded the air-raid alarm, and then trained the guns not at the sky but on the Formosan population in the streets.

The 'Liberators'

When Japan surrendered in 1945 the Formosans thought they would at last get the self-government they

wanted. They welcomed the Chinese, who came to their island as liberators. But their hopes were soon dashed.

In the fall of 1945, Chiang Kai-shek sent a general, Chen Yi, to occupy Formosa. Chen Yi and his entourage took over the entire economy, and within a year it went to pieces. Unemployment was rampant; most middle-class Formosans were reduced to bankruptcy. Chinese from the mainland arrived in droves and plundered whatever they could get.

The Formosans grew more and more rebellious. In early 1947, riots broke out. Conservative Formosans pleaded with Chen Yi to make some reforms. But at the very same time that Chen Yi was promising not to bring more troops into Taipei, Nationalist troops were marching toward the city.

A small committee of leading Formosans then appealed directly to Chiang Kai-shek and drew up a list of demands. They got their answer the night they presented their proposals for reform. Nationalist troops swarmed into Taipei and machine-gunned the crowds there. A systematic effort was made by the Nationalists to eliminate all Formosans of standing. In this famous massacre of March, 1947, ten thousand Formosans were killed.

In 1949 the Nationalist Government in China fled to Formosa, and the waves of Chinese coming there from the mainland increased. All together 2.5 million Chinese Nation-

alists, military and civilian, have been added since the Second World War to a Formosan population that by now numbers nearly eight million.

With the coming to Formosa of the Chiang Government itself, the Formosans expected some improvement in their lot. But in January, 1950, native leaders warned that the Formosans might revolt against the Nationalists. A group working for Formosan independence addressed a memorandum to the President of the United Nations General Assembly pleading for U.N. relief against the Nationalist régime of "carpet-baggers" and "highway robbers" on Formosa.

Now the island of Formosa and the life of the people—indigenous or immigrant—have become the stake in a colossal battle of principle. Should the principle of Race prevail and the Formosans be united to the Chinese mainlanders under Mao, or should Strategy have the last word, and in that case whose strategic interests? Or should the principle of Sovereignty be upheld—but represented by which Chinese Government?

As there is no prospect for any fair answer to all these questions, and since the answer should not be left to the caprice of war, perhaps it would not be a bad idea to let the Formosans themselves, old and new, have their own say on where they belong and how they would like to be ruled.



Present Conditions On the Island

PRESTON SCHOYER

THE MERCHANT, a native of Formosa, sat staring at his teacup. "Perhaps there will be war," he said with a shrug. "I don't know. But why ask me? I'm a native. Our future belongs to someone else, not to us."

At present the Formosans have little to say about how they should be governed and what the status of their island should be, but the longer Chiang Kai-shek's Nationalist Government remains in control of Formosa, the harder it will be to discount the opinions of the Formosans.

In the first place, the present native population of eight million is increasing at a rate of three per cent a year and hence will double in less than twenty-five years if that trend continues. By contrast, one-third of the two and a half million immigrants from the Chinese mainland are soldiers, and among the remaining two-thirds there is a forty per cent excess of males. Fully a half of the mainland Chinese who marry choose Formosans. The chances are that the refugees from the mainland will gradually be absorbed by the native population.

Furthermore, the Nationalist army has started large-scale drafting of young Formosans. On February 15 it was announced that seventy-five thousand native Formosans would be inducted over the next six months—not just into auxiliary units as was the case before, but as front-line troops. With Chiang's best forces already past combat age, this is bound to be only a beginning. As the Nationalist army comes to be made up more and more of Formosans, there will have to be changes in Nationalist policy. The Formosans are not likely to feel very keenly about "going back" to the mainland of China.

THE NATIONALISTS' constitution embodies democratic principles, and popular elections have been

held for the lower strata of provincial officials. But the initial enthusiasm of the Formosans for these elections dampened when it was discovered that elected Formosans often held office in name only and that Kuomintang men appointed under them held the real power.

"Under this Government anything can happen," a Formosan told me. "Security people can get you out of bed at night, search your house, even arrest you—for no reason. And you can't complain. Not even the newspapers dare complain."

Most of the newspapers are government or party organs anyway, and the others are intimidated. One paper that dragged Chiang Kai-shek's name into a "romantic" story, with deplorable taste but hardly seditious intent, was suspended for three months—long enough to put it out of business. Another was suspended for three days for giving census figures different from those of the government.

To a large extent security policy in Formosa is formulated and carried out by Chiang Ching-kuo, Chiang Kai-shek's forty-five-year-old son. Ching-kuo learned some of his methods in Russia, where he spent fourteen years. His actual position is director of the Political Department of the Ministry of National Defense; he is also director of the Anti-Communist National Salvation Youth Corps, which is concerned with the political indoctrination of Formosa's youth.

NO MATTER how dissatisfied the Formosans are with the Nationalist administration of their island, they know enough about conditions on the mainland not to cherish any prospect of being "liberated" by Mao. But many compare life under the Nationalists to life under Japanese occupation. In this comparison the Chiang Government often comes out second best. The Formosans

tend to forget the repression and exploitation of the Japanese and to remember only that economically at least they were better off than they are now. Unquestionably the people in the rural districts have benefited from the U.S.-sponsored programs of rent reduction, land reform, and health and technical assistance.

But in the larger cities there is less cause for satisfaction. The general industrial level has risen forty per cent above the Japanese peak year of 1941, but neither in agriculture nor in industry have the gains kept pace with the rising population. Per capita production and agricultural exports are still below what they were under the Japanese. To make matters worse, the present uncertainty about war has produced drastic inflation.

Formosans admit that they have more freedom and opportunity today than they had under Japanese rule. Their children are no longer in segregated schools and they can now study at a university and be trained for professional and managerial careers. But they never expected equality from the Japanese. They do expect equality from the Chinese Nationalists, and, not getting it, they feel they are still second-class citizens.

FOR THE Nationalists the problem is to overcome this Formosan resentment. One forward step would be to have elections for the top provincial posts, including that of Governor. Second, the economic and financial resources of the island should be used to a far greater extent to further its well-being. At present, military and political programs aimed at the liberation of the mainland still receive top priority in government planning.

There is one factor that increases the chances for reform. Many Chinese from the mainland share the disgruntled feelings of the Formosans at the autocratic procedures of the Nationalist Government. They join the Formosans in hoping for more self-government and freedom of expression. Quite a number of them realize that the time for liberating the mainland has passed, and that the task of the future is to make Formosa into a testing ground of Asian democracy.

An Important Link In the Chain

THOMAS R. PHILLIPS, Brigadier General U.S.A. (Ret.)

WHEN President Eisenhower asked Congress for authority to act in emergency to protect Formosa and the Pescadores, one of the reasons he advanced was that "it was important that these islands should remain in friendly hands." His use of the word "important," rather than "essential" or "vital," had more significance than is generally realized.

Military planners distinguish very carefully among these terms in their appreciations. "Important" means to them what it means to anyone. A position can be important, yet not essential or vital. "Essential" is used militarily with regard usually to a specific operation, area, or circumstance. "Vital" is the highest category and is used only of a position whose loss would be a mortal threat. There are very few areas in the world that our planners consider vital.

When the President used "important" to indicate the strategic value of Formosa to the United States and to the other Far Eastern countries friendly to us, he took a moderate position. "In unfriendly hands," he declared, "... It would create a breach in the island chain of the western Pacific that constitutes, for the United States and other free nations, the geographical backbone of their security structure in that ocean. In addition, this breach would interrupt north-south communications between other important elements of that barrier ..."

THE BARRIER the President spoke of is the island chain extending about three thousand miles from north to south off the coast of Asia, including the Japanese home islands, the Ryukyus, Formosa, and the Philippines. Formosa is slightly south of the center of this chain of islands and is closest of all to the mainland—even closer than Japan is to the Korean Peninsula.

Formosa was less important strate-

gically after the Second World War than it is now. The United States had not at that time committed itself by treaty to the defense of Japan, Australia, New Zealand, South Vietnam, Cambodia, Laos, Thailand, and Pakistan in the Far East.

The Red Chinese were not recognized as an important factor in the world-wide expansion of Communism. They have now become as important politically and strategically in the Far East as the Soviet Union is in the rest of the world. If our global strategy to halt the advance of Communism is to succeed, it is as important to prevent the Chinese Reds from conquering any more free territory as it is to stop the Soviet Union's expansion.

Since the conquest of China with elementary arms, the Red Chinese have acquired modern weapons for their ground forces, coastal-defense naval forces, and the fourth largest (in numbers) air force in the world. They have announced that the Soviet Union is to help them establish an atomic technology and, furthermore, that even now if the United States uses atomic weapons against China, they themselves will have atomic bombs to use against the Seventh Fleet.

The Red Chinese Air Force has between 2,500 and 3,000 aircraft, about one-third of them MIG-15 interceptors. It also has about five hundred of the twin-jet IL-28, capable of carrying small atomic bombs.

Even though these aircraft were all purchased from a foreign power, the formation of such an air force in five years indicates that the Communist Chinese have a remarkable military growth potential. It is expectable that in five to ten years they will have medium bombers and atomic weapons and possibly their own air-atomic industry. They probably also will acquire a fair short-range naval force. In short, they may acquire the air and naval power to neutralize

Formosa just as we did ten years ago.

If they can do this—as we did—the strategic importance of Formosa to us will become slight.

The Shrinking Distances

As the Communist Chinese Air Force has developed in recent years, our own Air Force has had to revise its ideas about using Okinawa as a peripheral strategic air base. It is only 390 miles from the Chinese mainland, too close for adequate air warning to count on defending priceless strategic bombers from a sneak attack. It has been necessary to withdraw them farther east to other Pacific islands, such as Guam.

Under the new concept of defense in the western Pacific, the barrier chain will become the advanced line of radar-warning and interceptor bases to protect our striking power based farther east. Radar and interceptors will be manned by Japanese, Chiang's Chinese, and Filipinos.

Viewed in this light, Formosa plays an important part in the defensive chain, now complete without any large breaks. If Formosa were seized by the Reds, there would be a gap of about 660 miles between the Philippines and Okinawa. This is too large to be bridged by radar and interceptors. Although the Ryukyus extend another 275 miles south from Okinawa and the Bataan Islands extend north 165 miles from the Philippines, leaving a gap of only about 275 miles, these small islands would not be tenable against powerful air forces on Formosa.

Formosa is now a flank position that threatens any Communist move toward the Philippines to the south or Japan and Okinawa to the north. If the Reds were to move into Southeast Asia by land, the troops on Formosa would constitute a threat of invasion that the Communists would have to be prepared to cope with by leaving large forces opposite the island.

LET US examine the reasons given by certain authorities to prove the strategic importance of Formosa. At present any talk of a Red invasion of the Philippines or Okinawa and Japan is unrealistic. The Communists do not have the naval vessels to cover an operation so distant from the mainland or the

air force to protect it at that range. Nor is there any cause for worry about the air-warning and air-defense barriers to protect Guam, for the Chinese Reds have no aircraft now that can reach out so far.

But this reason, which is presently being adduced by the military advisers to the Secretary of State, will be quite valid when the Red Chinese have a more highly developed military establishment. Their final reason—that possession of Formosa by our ally Chiang is a threat to the mainland that would have to be taken care of if the Reds were at war in Indo-China or Korea—is valid today and will remain valid as long as we retain superior air and sea power in the western Pacific. To the Reds, Formosa is a mortal threat, just as uninvaded Britain was a mortal threat to Hitler.

Hitler put off his problem and it sealed his fate. The Chinese Reds may be forced to put off the solution of their troubles by lack of military power, the restraint of their Soviet ally, or possibly by international action to neutralize Formosa.

ALTHOUGH the President found Formosa "important" to the United States strategically in the area of the western Pacific, the National Security Council, on the basis of other considerations and following military advice, found it "essential" to our over-all strategy for stopping Communist expansion. It was felt that we could not lose any threatened territory to Communism and retain the confidence of other nations, such as South Vietnam, Cambodia, Thailand, and Burma, that are subject to Communist pressure.

The degree of essentiality in military semantics also came up in connection with the problem of whether to defend the offshore islands—the Tachens, Matsu, and Quemoy. All four of the Joint Chiefs of Staff testified separately before the Senate Foreign Relations and Armed Services Committees that Quemoy and Matsu were not vital to the defense of Formosa. Important, yes—and the different Chiefs ascribed varying degrees of importance to them—but not "vital" or "essential."

It will be years—five or ten—before the Red Chinese can build up their

naval and air forces to a degree that will give them a chance of making a successful invasion of Formosa. They can make a stab at invading the offshore islands this year. Therefore the two problems—invasion of the offshore islands and invasion of Formosa—are, in the jargon of science fiction, on different time lines. Taking the offshore islands this year would have no connection with invading Formosa five years from now. The Red propaganda attempt to relate the two is phony.

Potential Betrayers

The real problem on Formosa now is psychological and moral, but it is the morale of the once wealthy, cultivated, and sophisticated officials that is depressed rather than that of the soldiers, sailors, and airmen. One of the most prominent of the Nationalist officials told me, "This is a living death on Formosa." To the rich exiles, their plight is very much the same as that of wealthy and cultivated Parisians condemned to an indefinite exile on Madagascar.

In any case, there is real danger that a clique of disheartened officials and generals may some day try to sell out and turn Formosa over to the Reds by a *coup d'état*.

Chiang has eight or nine hundred retired generals on full pay waiting for commands, hundreds of admirals, and a skeleton officialdom for all the provinces and the central government of China. It is these types who represent the big danger to Formosa today. It is to these that the Communist radio daily blares promises of rewards and high place in return for betrayal of the Nationalists.

The Changing Future

If the question of Formosa is projected five to ten years ahead, when we can assume that the Chinese Communists will have acquired a short-range navy and a larger air force with medium bombers and atomic weapons, a different strategic picture appears. Formosa can receive only six minutes' radar warning of the approach of jets across the Strait. This would make its defense against bombing attack almost impossible, for defensive interceptors could not take off and gain altitude in that time.

The Red attackers can disperse their bases over the Chinese mainland, while the defenders are confined to a relatively small island. When their air force reaches the point where it is able to do this, it can provide air cover for an invasion.

If we tried to defend Formosa under these circumstances, it could be done only by massive air attacks with atomic weapons on mainland airfields and on invasion ports, bays, and concentrations. This would be a job that would need help from the Strategic Air Command, since the Seventh Fleet could not live in the Formosa Strait. In short, Formosa will have no strategic value to us if Red Chinese military development continues at its present rate. On the other hand, if the Reds held the island, our bombing forces from the fleet and the Pacific islands could neutralize it.

Thus we can see how different the defense of Formosa was when former President Truman ordered the Seventh Fleet to protect it in June, 1950. That was a simple military problem; a destroyer and a few patrol craft were all that was required. As the Red navy and air force increase, however, the once easy job will become a major military burden. Our fleet in the western Pacific will have to be enlarged. More air bases will have to be constructed and more aircraft made available. More ground forces will be needed to defend bases.

BARRING unforeseen change in the western Pacific, or the neutralization of Formosa by international agreement, it seems to me that ultimately the Reds must attempt to take it. Ideology and nationalism apart, for them it is strategically "vital."

Today the defense of Formosa is strategically "important" to us and "essential" in our anti-Communist global strategy. But as time goes by and Red Chinese military power grows, the defense will become increasingly risky and impossibly burdensome unless we recognize the problem and seek a solution not prompted by our own outraged feelings.

The once simple problem of protecting Formosa is, I fear, evolving into an insoluble conflict that almost irrevocably will lead us into war.

Foreign Policy: Default of the Democrats

DOUGLASS CATER

THE NEW bipartisanship in foreign policy got its first major test during recent Congressional passage of the Formosa Resolution and the Mutual Defense Treaty with the Republic of China. According to Democratic leaders on Capitol Hill, the whole thing was an enormous success. They saw it as a conscientious re-enactment of that bipartisanship which is linked forever with the name of the late Senator Arthur Vandenberg, and they cast Senator Walter George (D., Georgia), new Chairman of the Foreign Relations Committee, in Vandenberg's role.

Although the Democrats may have been practicing bipartisanship, it was certainly not of the Vandenberg type. Particularly when it came to Far Eastern affairs, Vandenberg would not have allowed bipartisanship to serve as an excuse for restraining criticism by the "loyal opposition," which once more happened to be the Congressional majority.

Take, for example, the role Vandenberg played when President Truman came to Congress with the Greek-Turkish aid program in 1947. Vandenberg's first act was to invite all members of the Senate, not simply Foreign Relations Committee members, to submit questions in writing to him to be presented to the Secretary of State. More than four hundred questions were submitted, and these were reduced to 111 queries. They served to clarify the program and to make Senatorial support both compact and articulate.

Vandenberg quickly perceived that in the draft resolution the Truman Administration had slighted the United Nations, which, as he told the Senate on April 8, 1947, should be "our first reliance and our prime

concern." In response to his criticism, the State Department, headed by Secretary George C. Marshall, quickly tried to make amends by notifying the United Nations informally that the Greek-Turkish aid program was "of an emergency and temporary character" and that the United Nations had long-range responsibility.

THIS WAS not enough for Vandenberg. Since Congress, too, was involved, he felt that Congress should be allowed to put this assurance in the resolution. He drafted a new preamble paying full homage to the United Nations, and prepared a substantive amendment providing that the U.N. Security Council or the General Assembly could terminate the American program whenever it found that "action taken or assistance furnished by the United Nations makes the continuance of such assistance unnecessary or undesirable." His amendment, which he termed the "greatest act of voluntary allegiance to the United Nations," further provided that the United States would waive its veto power in the Security Council in this matter.

Vandenberg always strongly denied that bipartisanship in foreign policy meant simply blind endorsement of Administration proposals. "It was not a carbon-copy process," he said in a Lincoln Day speech in Detroit in 1949. "There are outstanding Republican trademarks in every Act that Congress passed." And in January, 1950, he wrote to a constituent on the same subject: "It does not involve the remotest surrender of free debate in determining our position. . . . Every foreign policy must be *totally* debated (and I think the record proves it has been) and

the 'loyal opposition' is under special obligation to see that this occurs."

Matter for Haste?

During the Formosa debates, on the contrary, the Democratic "loyal opposition" felt no such special obligation. Admittedly, there was not as much time for extended consideration as with the Truman Plan. But there was no need either for an atmosphere of crisis in respect to a situation which not a single competent authority testified was immediately critical. Yet on Friday, January 21, the State Department briefed key Congressional leaders. Other members of the responsible committees saw the draft resolution two days later, only one day in advance of its publication and too late for private criticism. Non-committee members, of course, had no opportunity to question Administration spokesmen.

By the following Friday, the whole affair was over so far as Congress was concerned. There had been five hours of testimony and discussion in the House Foreign Affairs Committee, and less than three hours of debate in the House itself. The Senate Foreign Relations and Armed Forces Committees, meeting jointly, heard two days of testimony, limited to Secretary Dulles and the Joint Chiefs. There were an additional two and a half days of debate in the Senate Chamber. The Mutual Defense Treaty, brought to the Senate twelve days later, was passed in less than six hours. In toto, the whole business consumed a tiny fraction of the time and effort devoted to an issue like Dixon-Yates.

UNLIKE Dixon-Yates, however, which has hardened into a seemingly unbreakable deadlock between the two parties, this policy involved several vital areas of confusion and disagreement that a more thorough debate might have served to clarify. Primary among these was the question of the Constitutional correctness of the President's making a request for such a joint resolution in the first place. Has Congress power under the Constitution to grant authority to the President on matters that already fall within his powers as Commander in Chief? This was a question on which Speaker Rayburn himself ex-

pressed grave reservations. Rayburn felt compelled at the very outset of his argument on behalf of the resolution to assert: "No one can deny that the President as Commander in Chief in fact has the power that he seeks here. Our action here should not be taken as a precedent. . . ." Rayburn's attitude seemed to be that the whole thing would be less precedent-making if it were rushed through with a minimum of thought and discussion.

To this same issue of Constitutionality, Chairman George pleaded *nolo contendere*, simply arguing: "Certainly [the President] has both asked for authority from Congress and has invoked the powers of the Executive Branch of the government and in those two departments all the powers must reside. The two together, at least, must possess the power to protect the United States."

Other Constitutional lawyers in the Senate failed to make vocal the anxiety that they voiced privately. Senator Thomas Hennings, Jr. (D., Missouri), who has fast achieved preeminence in this field, issued a carefully prepared statement of misgivings lest "the great historical powers of the Presidency . . . be in any way limited for future generations." But he never bothered to argue the point in the Senate. The Senators, always jealous of their own Constitutional powers, were unwilling to tell the President that he was undercutting his.

The second area of concern to certain Senators was remarkably similar to that which had troubled Vandenberg with the Greek-Turkish aid resolution. A close study of the Formosa draft resolution revealed that it completely ignored U.S. commitments to the peace efforts of the United Nations. In fact, the resolution lacked even the expression of hope for U.N. action toward a ceasefire contained in the President's accompanying message. But every effort to rectify this was beaten down in the haste to push the resolution through without delay. A fairly innocuous "whereas" clause introduced in the Senate by Senator Hubert Humphrey (D., Minnesota) was withdrawn after Chairman George agreed to consider it as a separate resolution in the Foreign Relations Committee the following week.

When that time arrived, Senator Knowland declared flatly that he would fight any endorsement of the United Nations that might serve to undermine Chiang Kai-shek's claims to the offshore islands; the resolution was quashed without a fight.

Authorizing What?

Perhaps the Democrats' most distressing default as active agents of bipartisanship was their failure to obtain a clarification of what they were being called on to authorize. Admittedly, certain tactics of military and diplomatic strategy have to be kept secret. But if the Democrats



George

in Congress were to assume coresponsibility for a major venture in foreign policy (a partnership, by the way, that Secretary Dulles freely bestowed on them in his speech of February 16), they had a right to a clear understanding of it.

Instead, all through the debates there was a basic confusion over whether the new policy constituted retrenchment or advance on U.S. commitments to the Nationalist Chinese, an ultimatum to the Chinese Reds, or partial withdrawal leading ultimately to the neutralization of Formosa under a U.N. trusteeship. Senator Margaret Chase Smith (R., Maine) pointed out that contradictory impressions had been created here and abroad. Mrs. Smith demanded to know whose impression

was correct—that of the American public or of "the sophisticates in international relations." Unlike either of these groups, she had been privileged to hear the two days of committee testimony.

The Senators could not help but be aware that State Department explanations offered privately to some of our Allies were quite different in emphasis from those given in committee, and that the assurances offered to Chiang Kai-shek himself were something else again.

All during the week that the matter was before Congress, varied reports kept rolling in, relating primarily to the offshore islands of Quemoy and Matsu and serving to increase the confusion. But when the week was over, Congress had gone on record in granting the President authority for the "securing and protection" of such islands if he deems it necessary to Formosa's defense. As one Senator put it, "We gave the President authority that we don't have to give for the purpose of doing something that we are by no means agreed we want to do. And we did it in the name of national unity."

George's Abdication

On the Formosa Treaty, the Democratic Senators had been well briefed about fundamental shortcomings by a memorandum prepared by Benjamin Cohen, a former counselor for the State Department. But rather than attempt amendments, they chose to accept the personal assurances of Secretary Dulles on the points in dispute. This resulted, for example, in the "understanding" that by this treaty the United States does not recognize the sovereignty of the Republic of China over Formosa even though the treaty expressly lists that island as its territory. The Senators also consented to accept Mr. Dulles's word, along with a letter to that effect by the Chinese Foreign Minister, George K. C. Yeh, that Chiang would not embark on a military escapade against the mainland. But the treaty remains mute on both points. Only Senators Morse, Lehman, and Kefauver bothered to argue how absurdly meaningless such private assurances were. And only Democrats Chavez and Gore together with the isolationist Republican Langer were willing to join

those three in voting against the treaty. Why such Democratic reluctance to develop these perfectly valid arguments?

A large part of the answer lies in the person of the seventy-seven-year-old Foreign Relations Chairman, who must bear singular responsibility for failing to achieve that balance between advocacy and criticism which Vandenberg always sought. In these first endeavors, George, though reputedly a stubborn independent thinker, appeared amazingly amenable to Administration guidance. Last December, Assistant Secretary of State for Far Eastern Affairs Walter S. Robertson had flown down to Georgia expressly to "consult" with George on the Formosa treaty before the beginning of Congress. Other Democratic members of the Foreign Relations Committee found him committed to the specific content of the two Formosa measures.

ACCORDING to his colleagues, George in the course of the debate managed to develop a considerable amount of fatherly pride in these measures, of which he was admittedly not the author. In committee, he adamantly refused to consider the amendments and substitutes prepared by his fellow Democrats. On the floor of the Senate, he gave scant quarter to potential opponents. He challenged them to present an alternative, knowing well that they had one in the Kefauver substitute, which offered the President full moral support to defend Formosa but avoided the other entanglements. Never one to dispense with legalisms when they can advance his cause, George ridiculed all arguments about the juridical distinction between Formosa and the offshore islands as "legalistic quibbling." Then he in turn developed a fine bit of legal reasoning to the effect that the controversial "related-areas" clause in the resolution was a limitation rather than an additional grant of authority.

But the elderly George, by no means deaf to the unexpressed fears of the Senators, knew how to wring the full tactical advantage from the last-minute assurance issued by the White House that the President alone would make the decisions going beyond the immediate defense

of Formosa and the Pescadores. "It means that no admiral here and no line officer off the coast of China, in the Formosa Straits, or elsewhere will start [a war]," George said. It was a happy assurance, for most of the Senatorial anxiety was directed not toward the President but at Admiral Arthur Radford, Chairman of the Joint Chiefs of Staff.

The Silent Men

Though the major share of the responsibility belongs to Senator George, a portion remains for the younger Democrats on the Foreign Relations Committee, including some of the ablest members of the Senate. Right at the outset, when a group of them met on Sunday, January 23, to chart a course, they failed to achieve any unity. No one managed to assume leadership capable of presenting George with an ultimatum he might have felt obliged to heed. When the resolution reached the floor, they displayed painful indecision.

Senator Humphrey, for example, introduced and then withdrew an amendment to delete the "related-areas" clause from the resolution, only to have it picked up belatedly and with some exasperation by Morse and Lehman. Senators Green and Fulbright, next in committee seniority to George, said not one word during the floor debate on the resolution or the treaty. Sparkman and Mansfield entered the foray briefly and then kept quiet, Mansfield arguing sadly that not to vote for the resolution would be interpreted as a "faltering in our resolve."

Senator Harry Byrd, the conservative from Virginia, joined the ranks of the crypto-worriers but restrained himself publicly to the mere insertion of a statement in the Congressional Record after the final vote in which he expressed dark suspicion that "Chiang Kai-shek is motivated by self-interest . . . when the critical time comes, he may place his ambitions above the welfare of his American partner."

Senators Stuart Symington and John Stennis, also of the Armed Services Committee and also sharing qualms, chose instead to reiterate the well-worn theme about the need of larger armed forces. The newly

returned Senator Alben Barkley, who is now commencing his fourth decade of service in the Senate and his second on the Foreign Relations Committee, chose to play the freshman and kept completely silent. He was joined in this by Senator Richard Russell, veteran chairman of the Armed Services Committee. Only Senators Morse and Kefauver from the two committees and Humphrey to a lesser extent made a clear-cut stand. Only Lehman stood with them.

AS A RESULT, not only was every attempt at modification overwhelmingly rebuffed, but the Senators scarcely managed to hold their own in floor debate against the China Firsters. There was, for example, no real challenge when Senator H. Alexander Smith (R., New Jersey) advanced what amounted to a theory of immaculate aggression. The mere accumulation of large force by the Chinese Reds could be accounted an act of war, Smith argued, and was sufficient cause for action against the mainland.

Nor was there reaction when Minority Leader Knowland, whose evident happiness during the whole affair served to make others less happy, refined Smith's thesis by hypothesizing that a Red attack on one of our ships during the pending Tachens evacuation could constitute the necessary mandate for future preventive action on our part.

IN FACT, a diligent search of the Congressional Record reveals how little thought was given to the effect of our attitude toward Formosa on our system of alliances. There was little inclination to ask whether the Administration might be playing into the hands of the crafty Red leaders who, troubled by internal unrest, might welcome the chance to lure the United States into what could be interpreted as an act of aggression. Only Senator Morse had the courage and imagination to ask and keep asking these disturbing questions out loud. Only a bare handful of Senators played the vital role of "loyal opposition" with firmness and competence. If we want to see how a leader of the "loyal opposition" ought to behave, we still have to go back to Vandenberg.

Vale, Hale:

Exodus cum Impedimentibus

WILLIAM HARLAN HALE

HAVING been persuaded in 1950 to accept appointment as a Foreign Service Reserve Officer and First Secretary in the Diplomatic Service, assigned to Vienna, I found myself, as mid-1953 approached, anxious to wind up my duties and return to private pursuits. As a "non-career" visiting fireman appointed under the régime of Mr. Acheson, I fancied this the easiest thing in the world to accomplish, particularly since the new Administration was engaged in a large-scale process of clearing out "holdovers." It was by no means as simple as I had imagined.

First there came the affair of the little box. My legal home on entering the government was in Santa Fe, New Mexico. But my intention now was to return only to New York, which would manifestly save the government a lot in transportation costs.

A young man from Budget and Fiscal, with the air of a fox, asked me if I didn't want to help the government out some more. Of course I did. Well, then, although I wasn't taking off until July, which would put the cost of our travel into fiscal 1954, wouldn't I co-operate on a little dodge by starting off a "token shipment" of my goods a month earlier, in June, which would have the advantage of enabling the Embassy to "obligate" funds for our entire homeward movement out of surplus lying around for fiscal 1953?

"But how am I going to send off a token shipment, when we haven't yet packed?" I asked. "Oh," said the foxy one, "send anything—any little item—just so long as it starts off in June for Santa Fe."

"But I don't want my stuff to go to Santa Fe," I protested.

"This little box," answered Gimlet Eyes, "has got to be addressed to Santa Fe if we're to get under fiscal 1953, since that's where we've listed your legal address. Send some old flowerpots—hell, anything."

So we made up a box of back-is-

sue *National Geographics* and unmatched sneakers, and sent them off. The balance of our tonnage, meanwhile, was consigned with instructions in triplicate to New York.

Spanish Fiasco

We had planned an extended stop-over in Spain to recover from the rigors of Federal service, as authorized under Foreign Service Travel Regulation 3.62, which provided that an official leaving the government could stop off along his homeward way for up to a year. We took a house on the island of Mallorca, moving children, books, car, and a supply of underwater goggles and Embassy bourbon there for our first vacation in years. Hardly had we settled down when an urgent telegram arrived from Vienna: Regulation 3.62 had been rescinded, it said, and a new, retroactive ruling required: "EXPIATION YOUR TRAVEL ORDER BY SEPT 26 PLS CONTACT NEAREST AMCONSULATE RE IMMEDIATE REPEAT IMMEDIATE TRAVEL YOUR STATESIDE RESIDENCE USING THIS AS EVIDENCE ILLEGIBILITY."

"'Expiation' . . . 'illegibility' " my wife gasped, when I handed her the message at lunch under our palm tree by the sea. "Are they mad?"

"That's probably the Spanish telegraph office's way of putting it," I said thickly. "It should read, 'expiration' . . . 'eligibility.' "

"They've still gone mad," she insisted. "Didn't they promise us when we left . . . and here we've just rented a house and all on their say-so. Besides, I'll bet there isn't even a cabin now to be had on a steamer."

She was right about the cabins. In answer to a cloud of protests which I now rained upon Vienna, Washington, and the nearest American consulate-general at Barcelona, we learned that the only shipping space still available to take us home before the imminent deadline of the new regulation was the main suite of an

American Export liner touching at Barcelona, priced at more than two thousand dollars.

After sending a second and third round of protests, I made my way to Barcelona to pick up the mandatory steamer and my plush quarters. Three hours before sailing time, an urgent cable at last arrived from Washington stating that through high-level intervention I had been exempted from the new regulation, and that I wouldn't have to sail after all. Quickly I phoned the steamship line to cancel the reservation. "But it is impossible, señor," said the shocked voice at the other end. "We have reserved for you the finest suite." "Government orders," I said. "Government orders?" the voice asked nervously. "But who will pay, señor?" I glanced at the official signature on the telegram. "Señor Dulles will pay." "And this Señor Dulles, he has the authority?" "Unquestionably," I said.

Straying Chattels

Our five tons of household effects, last seen in Vienna, were now presumably seaborne to their New York destination. But then one day an envelope arrived bearing the imprint of a Stephen E. Lato, U.S. Dispatch Agent at San Francisco.

I first assumed this might have something to do with my box of expendable *Geographics* and old sneakers, but no. Mr. Lato reported the arrival at his port of my five tons of possessions, having incurred a freight charge of \$1,289.25. Did he understand, Mr. Lato asked, that these were to be sent on to Santa Fe?

I rushed to my typewriter to disabuse Mr. Lato and state that my five tons had been consigned to New York. Mr. Lato wrote to Vienna to ask confirmation of this astounding intelligence. Vienna wrote Bremerhaven to ask what the hell had happened. Bremerhaven thereupon requested San Francisco to return my five tons to the East Coast, which it did, at the cost of another \$628.18.

There now remained only the matter of my little box, which now turned up not in Santa Fe but, surprisingly, in the Bekins Van & Storage Company in Los Angeles, who sent me a warehouse receipt for it accompanied by a bill for \$4.50.

Just what, I wrote Mr. Lato, were

my old *Geographics* doing in Southern California? Mr. Lato sped back a letter citing a new regulation providing that the sender of a shipment landing at a port of entry must send a written confirmation that it was actually meant to go to the point to which the shipper had addressed it, failing which the shipment would be stored at shipper's expense pending receipt of same. So would I please pay the \$4.50 to get my box out of hock? I would not.

In the meantime, Bekins's charges had climbed to \$9 and an earnest letter informed me that unless they were paid, my box would be put up at auction. I now notified Mr. Lato that if this box of heirlooms were placed on the block, I would hold him, his agency, and the government jointly and severally responsible. The government paid the \$9.

The S. Kuhnert Affair

My final surprise hit me six months after I had left the government.

One morning still another letter from Vienna, this time from the firm of S. Kuhnert & Sohn, the movers who had originally packed our belongings there for homeward shipment. "Dear Sir," the message went, "According to the Embassy's order, we have picked up sixty-eight pieces of your furniture from Peter Jordanstrasse 6, Vienna, ground floor, and delivered it to our warehouse where it is stored at your risk and expense. Please to inform us what disposal you wish to make of them?"

We had never lived at Peter Jordanstrasse 6. "Maybe it's some other Hale whose stuff they've picked up," my wife suggested. "Poor man. And he's probably still in government."

"Sixty-eight pieces," I said. "At my risk and expense." My cup had run over. "I'll show them," I said, and unlimbered my typewriter for the final time, to this effect: I was not aware of having authorized anyone to remove sixty-eight pieces of furniture from Peter Jordanstrasse 6, Vienna. If S. Kuhnert had already done so on the basis of a valid order from the U.S. government, I would raise no objection, and would be quite ready to receive them at New York—provided, to be sure, that all were authentic Biedermeier pieces of the best style.

Who knows? They may yet arrive.

The Fabulous Firm Of Merrill Lynch

MARTIN MAYER

SOME YEARS ago an officer of one of the many semi-official organizations that help police the financial market was sitting in on a cocktail party at an investment bankers' convention. He was sipping a drink and listening to the cheerful sounds about him, and suddenly he felt a finger tap on his shoulder. He turned around.

An anonymous minion was stand-



Charles Merrill

ing above him. "The boss wants to see you," the minion said.

The officer rose and followed to the top floor of the hotel, where a dozen men were standing around the living room of a suite, smoking and talking in hushed voices. Every once in a while the bedroom door would open and somebody would come out, move over to one of the men, and nudge him toward the bedroom. Finally came the officer's turn. He walked into one of the best bedrooms that could be offered by one of the best hotels in the state of Florida, and Charles Merrill was sitting on the bed.

"What do you want?" Merrill said.

"I don't want a goddam thing," said the officer somewhat irritably.

"All I know is one of your people told me that the boss wanted to see me, so I came up."

Merrill grinned. "Sit down, young man," he said. "Sit down." The officer sat down and Merrill said in his best Southern manner, "I just wanted to tell you that I like the work you're doing. And if you ever need any help with anybody, just let me know. I'll follow your orders."

"Thank you," said the officer.

"You know," Merrill said reflectively, "there isn't a single trick in this business that I don't know." He stopped and grinned. "And the reason I know them is I've pulled every one of them m'self. Now that I'm an old man, I don't want to see anybody pulling them on me."

It will be understood that Merrill was giving an explanation, not a reason. Although nobody in government or finance is more fanatically devoted to honest practice, most people on Wall Street believe that anyone who tried to gyp Charlie Merrill would get his business throat cut in short order. Merrill is a sick man and has been for ten years, but whatever it is that has weakened his heart has by no means taken the force from his personality.

He is the first authentically great man produced by the financial market in 150 years. The Drews and Goulds, the Cookes, the Morgans and the Livermores—these men existed in a tight little island of their own making, where the public were sheep to be shorn. They made the alleys of Wall Street dark and dangerous places, and they kept for themselves as much as possible of the benefits that came from the system which produced their fantastic riches. Merrill brought in the public, not as lambs to be fleeced but as partners in the

This article is excerpted from a chapter of Mr. Mayer's Wall Street: Men and Money, to be published by Harper & Brothers this spring.

benefits. Today a man who loses his shirt in the market is the victim of his own stupidity or greed, not of the machinations of insiders. The climate of the 1930's helped, the New Deal laws helped, and many individuals helped, but the prime mover was Charlie Merrill.

Originally a Floridian, the son of a doctor, Merrill came North to go to Amherst and worked his way through two years of college, then quit and returned to Florida and a short stint as a newspaperman. He tried law school and ordinary business, then found his full scope on Wall Street. Merrill made his first fortune as an underwriter, specializing in chain stores; he took stock warrants as part of his underwriting profits, and as the stocks went up he cashed them in. In 1915, at the age of thirty, he was a millionaire. His course has been upward ever since.

He was one of the first to see the coming crash, and wrote an article in 1928 telling his customers and everybody else to get out before the house came down.

In 1930, with prosperity supposed to be just around the corner and the prices of seats on the Stock Exchange climbing again, Merrill Lynch went out of business, so immensely solvent that it was able to supply five million dollars in new capital to the firm that took over its commission customers and most of its employees. Merrill himself, at forty-five, retired; three marriages and a constantly growing fortune are experience enough for any man, and he wanted to brush up on his tennis before it got too late.

IN 1940 he came back. He is a modern man, but by no means a radical; he was disturbed by the trend of the economy and economic thinking, and he thought the time had come to prove that capitalism could be profitable for the many. A specialist in chain stores, he opened a supermarket of a brokerage firm. Though Edmund Lynch was dead, Merrill wanted to keep his name in the firm. The original letterhead read Merrill Lynch, E. A. Pierce & Cassatt; the next year it became Merrill Lynch, Pierce, Fenner & Beane. A merger of four large firms, with a hypodermic of new capital from the Merrill fortune, it was from the be-

ginning the largest brokerage house in the world—called by outsiders "the Thundering Herd of Wall Street," by insiders "We the People."

Capitalism for Everybody

Fifteen years is a longer time than most people realize; it is, in fact, an accurate measure of a generation. In fifteen years today's first-grade school-children will be getting out of college, and the freshest crop of college graduates will be executive vice-presidents. In fifteen years the temper and manner of an industry can change so enormously that even the old-timers have difficulty remembering how it was fifteen years ago.

Fifteen years ago in the brokerage business the central institution was the "customers' man." He had a following of rich clients, and he split brokerage commissions with his employer; the best customers' men could get forty per cent. If the month had been slow, the customers' man might call two large customers and switch one of them from Radio to Motors, the other from Motors to Radio, getting himself forty per cent of four commissions. After all, customers' men have to eat too.

Charlie Merrill paid his salesmen (he called them "account executives," and the official name all over



the business now is the wonderfully dignified "registered representative") a flat salary; their income was not to be determined by the amount of business they could churn up. Eventually the New York Stock Exchange set up a rule that all registered representatives should be paid on a salary rather than a commission basis. The rule was honored mostly in the breach (there was nothing in it to say that a man's salary had to be the

same every month), but its very existence was a tribute to Merrill's revolution. The revocation of the rule not long ago was a tribute of another kind.

Fifteen years ago a man who wanted information got advice, which is an entirely different matter. If a customer demanded a complete report on a situation, his broker would supply it, and charge him for it. There were charges for rendering monthly statements of a customer's account, for maintaining an inactive account, for holding a customer's securities in a broker's vault, and for executing legal transfers.

Charlie Merrill set up on a no-fee basis. Any customer (or potential customer) could write in or call in and get a research report on any stock that interested him. He could also get, free, the firm's little magazine, *Investor's Reader*, which comes out biweekly. The customer, it was decided, would be advised to buy a stock or sell it only if he asked for advice. And his certificates would be kept for him without charge. Almost everybody followed; Merrill Lynch did it first. And when brokers started restoring the old charges, in 1953-1954, Merrill Lynch waved its banner even higher.

Fifteen years ago each brokerage house kept its business a dark secret, often with reason. How well or how badly a firm did was its own affair; its customers had no right to know anything. A firm might be touting a security it owned and never tell the customer; it might be next door to broke, with the customer's accounts in danger, and he would never know about it. The profits might be fantastic, based on exorbitant service charges, and the customer could never find out.

Charlie Merrill kept the doors open, so everyone could "see what makes the egg stand up." He printed an annual report of the firm's operations, and mailed it to all its customers. He saw to it that every report on every stock carried a complete disclosure of the firm's holdings in the stock, and the holdings of its individual partners.

Fifteen years ago young men could come down to Wall Street only if they brought their fathers' business with them; there were no vacancies for boys whose only recommendation

was ability. The Street today suffers from a really drastic shortage of talent in the thirty-five to forty-five-year group.

Charlie Merrill started a training program for young men, and more than seven hundred have already been graduated from it. They are the firm's greatest single asset, and a few of them are already partners. By example, Merrill forced the rest of Wall Street to throw the doors open to talent—in fact, to comb the woods for it. Today there are dozens of training programs, and Wall Street is the best place there is for a bright young man who wants to make money.

The First Ad

But the most remarkable contribution of all came from Merrill's insistence that the public is intelligent. The hot water in which Wall Street habitually bathes flows from its disrespect for the public. Fifteen years ago brokers seldom advertised, partly because it was undignified, partly (bigger part) because it cost money, but mostly because they felt that the public couldn't understand sensible ads, anyway. Those who did advertise used the pattern now used by people like investment adviser Major L. L. B. Angas: "OUR CUSTOMERS HAVE YACHTS."

By and large, Wall Street thought the public was a sucker; Merrill thought Wall Street had suckered the public. He refused to believe that people who could make money were incompetent to invest it; he advertised respectfully to them, and to do his advertising and sales promotion he hired the managing editor of *Business Week*. One day a full-page newspaper ad appeared, eight columns in type so small it was barely legible, explaining the central facts about stocks and bonds. The ad ran first in the *New York Times*, then in other newspapers all over the country, finally as a three-page slice of *Time* magazine. There were two theories behind it: that the public wanted to learn, and that only those who were willing to do a little work should be encouraged to become investors. There is no way of telling how many customers came in through that ad, but they are the best a firm could have.

Finally, Merrill announced that

he would keep commissions low. (The minimum commission that a broker may charge his customers is set down in the constitution of the Exchange, and the members may raise or lower this minimum by majority vote.) Merrill has always thought that brokers ought to cut their costs rather than raise their



commissions; he has fought every proposed increase.

Fifteen years ago, despite all the laws and all the agitation, the stock market still hung from riggings. Today the exchanges, and practically all the rest of Wall Street, stand four-square as a free market. No matter what factors an analyst counts in, a great slice of the credit must go to Charlie Merrill.

MERRILL'S MONUMENT is a brokerage house so big that it does one-tenth of all the brokerage business done on Wall Street.

It costs \$145,000 a day just to open the doors at Merrill Lynch, because 114 doors must be opened in 114 different offices in 106 cities in five countries. There are more than four thousand employees, 107 partners, six hundred teletypes, and eighty thousand miles of leased wire.

Everything must be said a little slowly about Merrill Lynch. It is the largest securities broker on every exchange of any size; the largest commission broker in every commodity-futures market; the largest over-the-counter dealer; the fifth largest underwriter of corporate securities; and

the sixth largest manager of syndicates to sell corporate securities last year. It is always expanding, and it has no prejudices; if Merrill Lynch likes the deal it will go in on anything.

Financial Supermarket

The home office is at 70 Pine Street, the third tallest building in the world, and occupies the bottom six floors. Escalators connect the floors, which saves time waiting for elevators, and saves the management of the building from the strain of hiring new elevator operators to replace the dead ones every three days. More than a hundred people work in the research department, which prepares reports on securities and answers fifty thousand letters a year. Two and a half million dollars is spent for promotion, a million for leased wires. Two repairmen from A.T.&T. are always on hand to keep the telephones and teletypes working; three repairmen from I.B.M. keep a weather eye on Mr. Watson's fantastic creatures. Down in the main board room (which is almost like a funeral parlor, only so big that people in the back use binoculars to see the board), sixty salesmen and five partners handle orders involving one million dollars every day. Eight partners are members of the New York Stock Exchange, and six of them work on the floor; but Merrill Lynch is the largest employer of "\$2 brokers." In 1954 some two dozen members of the New York Stock Exchange collected nearly two million dollars in commissions from Merrill Lynch, Pierce, Fenner & Beane.

A quarter of a million customers can send in a lot of orders in a single day. Where a medium-sized brokerage house might have three or four clerks at telephones, relaying orders from customers' men to the floor and confirmations from the floor to customers' men, the Merrill Lynch wire room takes up half a floor of a building and the time of a hundred clerks. The downstairs board rooms relay their own orders to the floor, but all orders from the branch offices come into the wire room on some thirty-five multi-channel teletype machines. Since Merrill Lynch must be competitive with other brokers and process a hundred orders in the time it takes a small

broker to process one, all the ingenuity of a machine-minded management has been flung into the communication system and the spacious preserves of the wire room.

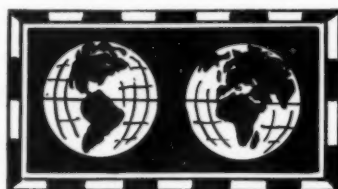
Basically, the wire room is organized as an assembly line, complete with conveyor belts. The belts are used to carry slips of paper from one location on the line to another, and above each compact set of belts is a series of narrow rails set so close to each other that a piece of paper dropped onto the belt on its end will balance between the rails and ride jauntily on to its appointment with destiny. These appointments are made very simply: A clerk who is processing or confirming orders stuffs a small rubber sponge between two rails, and all the papers riding that belt bump to a halt against the sponge. There are six sets of these belts, feeding into each other up and down, round and about the huge room, and a clerk dropping a slip onto a belt sometimes cannot see its destination. To indicate the routes and stopping places of the belts, the rails above them are brightly colored, each color signifying a place and a purpose. The bright colors, the long rails, and the papers bouncing gaily around corners give the room the look of a very rich child's nursery, with an immensely complicated set of electric trains.

Clerks sit at teletypes and small switchboards on narrow tables beside the turning belts, and immediately process orders MKT (at the market) and limit orders GTD (Good Today Only) for stocks traded on the New York or American Stock Exchange. The clerk simply rips the order off the teletype and hands it to the telephone operator, who calls the Merrill Lynch telephone booth on the floor nearest the post at which the stock is traded. (There are six Merrill Lynch booths on the floor of the N.Y.S.E.) When the clerk on the floor calls back and confirms the purchase or sale, the operator hands a notation to the clerk at the teletype, who confirms to the branch office, then drops the executed and confirmed order between the red rails. Red at Merrill Lynch is the color of money; slips dropped between the red rails ride to the end of the belt and plop off into a metal basket called the cash box.

Every securities transaction breaks into three parts: buyer to buyer's broker, broker to broker, seller's broker to seller. Two quick remarks on a trading floor are the center, and from that center flow activities in each of the three parts. The transaction will not end until the buyer's money has reached the seller, and the seller's stock has reached the buyer.

'Clearance'

In the old days the market closed at three o'clock, and the brokerage



824K

firms collected all their slips into neat piles, each pile representing trades with one other brokerage house. Runners swarmed out of the offices with the slips, heading for the other offices to make "comparisons" and be sure that everybody had the same idea about what happened in every transaction on the floor. Buyer's broker and seller's broker would confirm the transaction anew in the late afternoon of the day, and arrange for a transfer of money and stock on the fourth succeeding business day. Then they would hustle to get their customers' money and securities into the office for delivery on that day. Since customers very often do not deliver by the fourth succeeding business day, it was necessary to borrow money from banks, and securities from other brokers, in order to "clear" the sale. The securities end of it was easy, since everybody had the same problem; on the money end, however, the clearing operation involved many millions of dollars in bank loans, which meant many thousands of dollars of bank interest. Then, on settlement date for a market day with fifteen thousand transactions, it would be necessary for hundreds of runners to make thirty thousand deliveries of securities and checks.

By 1920 the labor of clearance had become unbearable, and the New York Stock Exchange formed the

Stock Clearing Corporation. (The A.S.E. has its own clearing corporation.) Now a broker merely gets together I.B.M. cards on all his sales for the day and delivers the cards to the Stock Clearing Corporation. It takes one boy instead of hundreds. The Stock Clearing Corporation has its own I.B.M. cards and keyless typewriter, and from these "sell cards" they make up lists of what each firm bought and sold that day. Bright and early the next morning the lists are delivered to the brokers involved, and they check against their own records.

The okayed or adjusted lists are returned to the Stock Clearing Corporation, which feeds the cards back into the machines and comes up with a net balance for each broker in each stock. Merrill Lynch, for example, may have been involved in transactions of 3,500 shares of General Electric; but at the end of the day it may owe exactly 300 shares. Its customers bought 1,600 and sold 1,900, and the Clearing Corporation is interested only in the difference. There is also a net balance in money — with 4,800 transactions, Merrill Lynch may wind up owing \$915 all together. On the settlement date, instead of making 2,400 separate deliveries and receiving 2,400 separate deliveries, Merrill Lynch need merely send over to or collect from the Clearing Corporation its net balance in each security, and its net debit or credit in money. One boy. The cost of the service is forty dollars a month, plus five cents a hundred shares on each buy or sell list, five cents a balance order, and five cents a delivery envelope.

This service, however, merely solves the broker-to-broker part of the transaction; broker-to-customer remains. One part of it is taken care of by the bill or notice of sale, automatically printed in the customer's home office through a wonderful collaboration of I.B.M. machine and teletype. Then the money must be received or paid, the securities delivered or collected. This is relatively simple when the customer maintains a balance with his broker; Merrill Lynch merely informs him that he has a credit of so-and-so much. It is equally easy on the other side when the customer asks the

broker to keep his securities for him, because the securities are right there and need merely be transferred. Often the securities are even in "Street name"—that is, the corporation has them on its books as owned by Merrill Lynch, and only Merrill Lynch and the customer know that the stock is merely being held for the customer's account. When securities are left in the account in "Street name," the broker guarantees their safety and takes care of all the bookkeeping involved in forwarding dividends, proxies, and such. It is something of a mystery on Wall Street why people ask for their stock certificates at all, since they really get nothing but the expense of renting a safe-deposit box in a bank.

107 Partners

A partnership the size of Merrill Lynch has problems all its own. Corporations, for example, are chartered in a single state, and pay their corporate income tax in the home state only. A partnership, however, exists in every state in which it does business, and the partners must pay state income taxes everywhere that Merrill Lynch has an office.

Under the Federal tax laws, moreover, a partnership cannot carry its profits over from one year to the next. Everything except the capitalization must be distributed among the partners at the end of the business year. When Merrill Lynch opens its doors on January 2, therefore, the \$145,000 cost of door opening must be paid out of capital.

And a partnership is an agreement among living persons, existing at the pleasure of living persons. Every time a new partner is admitted, the whole partnership agreement must be redrawn and signed all over again by everybody. The proportions of ownership change, too, since there is only 100 per cent to be split. Charlie Merrill originally put up the biggest chunk of the capital (which is now about thirty million dollars), but over the years he has gradually reduced his partnership interest.

He has done it in an interesting way. Partnerships break up because people believe they are getting less than their just share; and perhaps the only way to establish just shares is to split up the profits in proportion to the partners' contributions to

capital. As Merrill Lynch has increased in size, many partners who could not contribute to the firm's capital in proportion to their partnership interest have been brought up from the ranks. At the firm's present size a partner with an interest of one-half of one per cent should have contributed \$100,000 to the firm's capital. A new partner might be able to put up only a quarter of that amount; the rest would be supplied by others—principally Merrill. Such a partner would be expected over the years to put up the other three-quarters out of his share of the annual profits, and ultimately he would own his piece of the partnership free of all obligation. The principle of contribution to capital would be kept inviolate, but the doors would stay open.

Until 1953, only individuals and partnerships could be member firms of the New York Stock Exchange. All partners in a brokerage firm were thereby responsible for all the firm's debts, and if a firm went bankrupt the partners were liable out of

solvency record of Stock Exchange member firms is excellent, and the protection provided by a ban on corporate membership seemed to Merrill unnecessary.

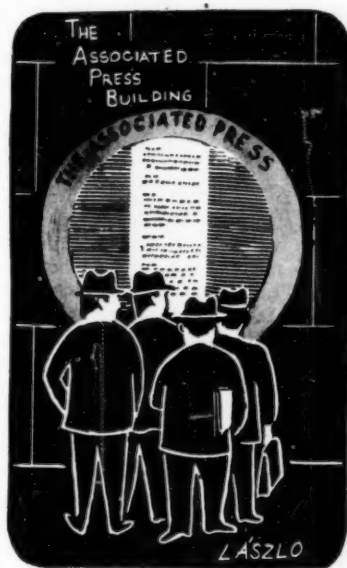
In 1953 the other members agreed, and amended the constitution to allow member corporations. This amendment was proposed not for the benefit of Merrill Lynch (many members of the Stock Exchange would like to see Merrill Lynch and all connected with it sink to the bottom of the sea), but in the rather naïve hope that the big over-the-counter dealers, most of which are corporations, would come do their business at the Exchange.

When the amendment passed, the firm got together with its lawyers and accountants, and found out that the excess-profits tax, which penalized new corporations, would hit too heavily at Merrill Lynch & Co., Inc. Then the excess-profits tax went off, and the lawyers, consulted again, produced an opinion that under the strictest letter of the law Merrill Lynch would need the signed permission of every customer to change its form of organization. The partners examined this opinion from a distance, looked at their long lists of customers, and said "Uh-uh."

The Competition

The other ninety per cent of the business on the New York Stock Exchange is done by firms ranging in size from the likes of Bache & Co., nearly half as large as Merrill Lynch, down to one-man, one-girl, one-clerk offices. A large underwriting house like Goldman, Sachs may be a member firm, but the individual member never looks in, and all transactions are done by "\$2 brokers." Wertheim & Co., with two members and a capital of more than nine million dollars, has a two-man order room calling in orders to one clerk on the floor, and the account cards of all active customers are kept in two little metal filing boxes on the head bookkeeper's desk. To these firms, which make their money elsewhere, the brokerage business is merely a sideline, a service to important customers.

The size of a brokerage house can be determined at sight by the extent of its teleregister board, a black wall with yellow numbers which revolve at the touch of a distant key to show



their own assets. Corporations, on the other hand, have no call on their stockholders' assets (except to pay back wages to employees); and a corporation may fail while its principal stockholder remains a wealthy man. Merrill crusaded to change the Stock Exchange rule, not to protect himself but to make Merrill Lynch a more manageable proposition. The

the price of the most recent sale. The board is more useful than a mere ticker, because the seeker after knowledge does not have to thumb through yards of tape to find the stock he's after; he merely looks up at the board and sees. Western Union used to run the teleregister service, but sold out to the Ogden Corporation at the end of 1953; whoever runs it, however, the broker pays an installation fee and then a yearly rental based on the number of stocks shown on the board. At Merrill Lynch all stocks of reasonable activity are shown on a concave board occupying about one-quarter of the length of 70 Pine Street.

THE SMALLER HOUSES, by and large, concentrate on giving personal, detailed service to a small group of wealthy customers who put their money in a broker's hands and—within limits—let the broker manage it. Merrill Lynch is organized to give service to the man who knows more or less what he wants. Though the hundred researchers will recommend portfolios, they do so only on request; and they do it by asking a few crucial questions and pigeonholing the customer's needs into one of a few general categories. The main service of the research department is the preparation of reports that will be evaluated by the customer himself, not by his customers' man. Customers are advised to submit their portfolios for periodic examination, because securities can go sour as quickly as cream and because a brokerage house makes its living by having its customers sell and buy securities. If the customer does not submit his portfolio for correction or approval, however, Merrill Lynch will not bother him. He had the sense to make the money; he ought to have the sense to invest it properly.

The smaller brokerage firms are seldom interested in the man with five thousand dollars to invest. If they do business with him at all it will be to sell him a mutual fund, pocket the commission, and turn him loose. But Merrill Lynch is interested in almost everyone. The goods—carefully graded by the clerks—are on the counter. The store is open all day. And the customer is always right.

WILL THE PRESIDENT RUN AGAIN?

ERIC SEVAREID

THIS HAS BEEN a most important week in terms of 1956 national politics. It was important for what did not occur. If there were to be a national third party next year, either of the Right or the Left, we would have received the first real evidence of it these last few days. But the moment has come and gone, leaving behind an almost complete certainty there will be no third party.

In Miami, the AFL and the CIO finally agreed on the long-sought merger that will combine 15 million union members under one national leadership. This development, dreaded by many conservatives, may mean considerable labor influence on the course of 1956. In part it was brought about by President Eisenhower's cold-shouldering of labor. But when the merger negotiations were completed, it was perfectly clear that a national labor party is not a goal of the new hierarchy in the foreseeable future.

In Chicago, two thousand Republican right-wing bitter-enders gathered to vent their anger at the Eisenhower Administration. They talked about "recapturing" the Republican Party for what they call "constitutionalism." That is their normal expectable wish and unlikely to be fulfilled; but what was significant was that their talk about forming a third party of their own was very brief talk, very cautious talk, and very much minority talk, even in that Chicago gathering. A right-wing third party seems no more in the cards than a left-wing third party.

This week, Republican leaders are here in Washington, deciding on a convention date and city, and plans for organizational and money-raising work. They are in high spirits; they know a right wing break-off is a very minor risk; they know the money is forthcoming; they know the condition of the country, on balance, is good; they know the President is still a popular figure. What they do not know is whether he will consent to run again. They are assuming he will, and are persuading each other he will. But they cannot be sure, and will not be for a long time. The President has not yet made his final decision, does not have to make it, and probably won't until approximately this time next year.

Here is the situation at present, as outlined chiefly by an individual whose credentials for discussing this intangible and subjective question are not easily disputed:

The President is in a more cheerful mood about his job. Had the Democrats won a big victory for Congress last fall he would have felt very discouraged. But he has taken their small margin as a kind of moral victory for himself. He has a strong feeling that the country is largely behind him and that, barring unforeseeable developments, he could win again in 1956. Among party leaders the conviction is growing that Eisenhower is a political phenomenon on the order of Franklin Roosevelt.

His health is good; he takes better care of it than any President for many years; but he is not unaware that if re-elected he would be seventy before leaving the White House, too old to enjoy all the hobbies of which he's so fond. He would be older, at the end of a second term, than any White House occupant in American history. This is the only point party leaders are sensitive about now, and wish to play down.

The health of the President's wife is better now than it was three years ago, when her physical strength was one of the really critical issues on which his candidacy for the nomination depended in his own mind. She holds up under the official routine better than she did a year ago. She would rather he did not run again; but she does not press the point and does not wish her own feelings to be involved in the decision.

THE PRESIDENT himself would rather not run. But he will decide, when the time comes, on the basis of three things: the state of the world, the prospect for his party without him, and his health. Those close to him project it this way: His health will be all right next year; the world will still be in a critical state; and they can convince him that the party will lose without him.

Therefore, party leaders are, at present, entirely confident the Eisenhower name will be on the ballot in 1956.

(A broadcast over CBS radio
February 14.)

France: The Beefsteak Revolt Of Pierre Poujade et Cie.

BLAKE EHRLICH

PARIS
THE ONLY civil disorders in France during recent months have been staged not by political hoodlums but by impeccably respectable citizens, who defy the authorities with the most inflammatory revolutionary phrases heard here in some time: ONE SINGLE ANSWER—UNITE AND FIGHT! STOP THE TAX GESTAPO! CUT THE COMEDY—ACT!

Their leader, thirty-four-year-old Pierre Poujade, deploring the presence of police detachments at a local rally not long ago, said: "We have manifested our discontent with dignity. We are not window smashers."

"We," in this case, are the *petits-bourgeois*, the small tradesmen and independent craftsmen, now organized into the Union de Défense des Commerçants et Artisans. Until recently, it was considered a sort of provincial nuisance for the Finance Ministry, but the Union, with its growing membership of nearly half a million, has now forced France to look at it seriously as a political force. Meeting in Paris, delegates from all over the country stood on their chairs at the Parc des Expositions to scream their approval of a strike vote, a delirious "Oui!" in response to the proposal that they pay no more taxes until the government met their demands.

The strike vote was a disturbingly familiar litany.

"You agree to fight solidly, united?"

"Oui!"

"Right to the end?"

"Right to the end!"

The Paris press agreed that "No other group could have rallied at Paris fifty or one hundred thousand members as this movement has done." And they got there in spite of the flooded Seine, which blocked special trains and caused cancellation of special busses—all a plot, they said, of the Government.

Their first objective is a reform of

tax laws, which, they feel, penalize them for being what they are, lower middle class—not as big as the big merchants and industrialists, not as small as the simple salaried employee. They embody a psychological phenomenon of our times: the persecuted majority. Together with those other anarchically independent Frenchmen, the farmers, they outnumber the industrial workers two



to one, and the workers, of course, are a far bigger body than the professional and *fonctionnaire* population.

Despite their size, they feel picked on, and as a self-advertised community of the timid and polite, they have succeeded in disquieting Members of the Assembly and the Ministries concerned. Uniting for joint action, they are a formidable pressure group. They have elected their members to office in two-thirds of the departmental Chambers of Commerce in France, they have prevented tax inspectors from checking the books of a hundred thousand merchants and artisans, they have

frustrated innumerable tax sales, and have wrested tax concessions from the Administration.

IN JANUARY, Gilbert Jules, Financial Secretary of State, told the Assembly that scheduled tax reliefs would go into effect at once, and "If they have been delayed it is perhaps because of the Poujade movement. Without that, they would have been decided earlier."

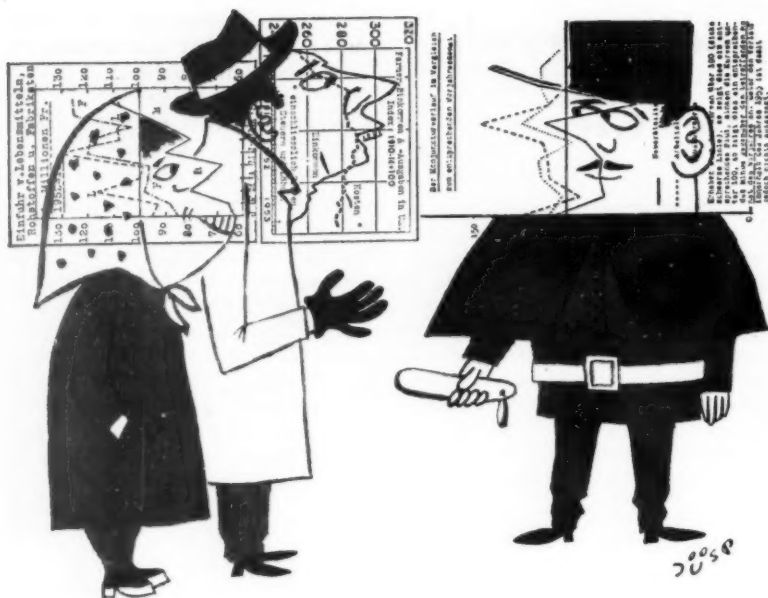
The whole movement started virtually by chance, and has grown spontaneously. The agitation, infiltration, propaganda, planning, organization, and capitalization considered necessary to promote a national organization in a complex modern society were not needed to snowball Poujade's. The bill of rights and even the list of grievances were drawn up for the bourgeoisie by the eighteenth-century revolutionists of America and France, and they are still good enough for the bourgeoisie of the twentieth.

How It Began

The first scenes in the history of the Union unrolled themselves (as the French say) in the best tradition of folk opera, with the doughty burghers playing a collective William Tell or Robin Hood against blundering and comic villains in uniforms of the state. The juvenile lead is played by Poujade himself, owner of a stationery store in the village of St. Céré in the Department of Lot, seventy miles north of Toulouse in southwest France.

"Le Poujadou" is a nice-looking, clean-cut young man, black-haired, tall, heavy-set. It was he who led eight municipal councilors to pass the resolution opposing the national tax officials. When four tax inspectors came the next day to look over local mercantile accounts they found the steel curtains with which French shops are shuttered at nights and on holidays pulled down and locked. Led by their municipal council, 239 merchants and artisans formed a silent escort for the inspectors, who went from shop to shop, rapped on the steel curtains, received no answer, and finally withdrew. It was eight months before they came back again and the grander scenes were played.

The town awoke to find itself cut



off from the rest of France, the telephone and telegraph offices occupied by gendarmes, the streets patrolled by black-helmeted, black-uniformed guards of the Republican Security Corps, eighty of them, hung with gas masks and bandoliers, carrying Tommy guns. A special squad surrounded the radio shop to keep the villagers from using loudspeakers to rally resistance, but a local Paul Revere sneaked over to the next village and returned with a truck-mounted amplifier, booming: "The tax boys are in town, lower your steel curtains!"

The truck was seized, and the villagers and the police watched one another in a silence broken only by the rasping of descending store curtains. At the head of the main street a car drew up, and in full magisterial splendor there descended the tax inspector, bearing his badge of office, a loaded briefcase. He marched down the street. Behind him marched the security corps. Behind them marched the townspeople. Looking back, the townsfolk now think it must have been a comic sight. But that day it was a very grave parade from shuttered shop to shuttered shop, with the winter sunlight winking dully on the very unfunny sub-machine guns, and the official briefcase charged with abstracts of the legal code. The subparagraphs in that briefcase ticked like a time bomb: "... years' imprisonment

... a fine of not less than ... fraud ... force ... evasion ... interference with officers in pursuit of ..."

Invaders' Retreat

When lunch time came the bistros and the restaurants remained locked, and there was no place to give food or drink or aid or comfort to the tax collector or to the guardsmen. Eventually, his briefcase unopened, his mission unaccomplished, the tax collector drove away. By eight o'clock that night the last of the invading forces had been withdrawn. No shopkeeper's accounts had been inspected. Somewhat stunned, the people of St. Céré realized that for the moment, they had revolted against the government of their country and seemed to have won a battle.

"Hell, if they can get away with it in a one-horse town like St. Céré, we can do the same thing here," said tax-weary merchants of neighboring communities. Municipal councils passed "motions of solidarity" approving what the villagers of St. Céré had done, and Poujade was asked to come over to explain how they'd done it.

He has been on the road almost continuously ever since, explaining to people who want to hear, all over France. Three weeks after the Siege of St. Céré the Union was founded by two thousand determined merchants and artisans.

ONCE ORGANIZED, the members began spiking forced tax sales. As many as a thousand in one region would shut up shop and make for the town where the auction flag was flying. One of the first was in the town of Saintes, where the stock and equipment of a delicatessen were to be sold to satisfy tax demands. Poujade and his pals heard the opening price: 100,000 francs, less than \$300. It was a ridiculous price, fixed merely to open the bidding. However, the bidding did not really open. The auctioneer's hearty air—a joke is a joke, you guys, now let's get along to some serious bidding—began to evaporate.

The eloquent sales talk that followed was also a failure. The stuff on sale was worth ten times the asking price. No serious French businessman could refuse to open at this laughable figure. They refused nevertheless to be serious businessmen or obviously gentlemen of intelligence or shrewd buyers who knew a bargain when they saw one. The auctioneer couldn't quite believe what was happening. He harangued, sputtered, and began abusing his prospective clients.

The tax-sale law specifies that the highest bidder takes the lot, and that all bids must be considered. Moving as in a bad dream, the auctioneer lowered the asking price to 80,000 francs, 75,000, 50,000 . . . 10,000 francs (\$28). Still there were no takers, and at 1,000 the crowd remained mute. Even at 100 (28 cents) nobody budged. At fifty-nine francs Poujade gave the nod. The assembled Union members picked up the sausages and the scales and the counters and carted them all back into the shop.

The System

Poujade says that if there were a simple and rational system of taxes there would be almost no tax sales in France. "An inspector comes in, looks through the books and receipts and says, 'You didn't know there was the tax on this and that? O.K. That means an adjustment of \$1,000 figured over the past three years, so you owe \$200.' On top of that he slaps on back interest payments and fines that double and triple the amount. Then on the other tax schedules there are corresponding

omissions and similar fines and the \$200 rises to \$2,000."

The merchants and artisans complain that the tax system is too complicated for them to understand. They say it's all very well for big corporations who can afford accountants and who can hire tax experts to cut legal corners and avoid errors, but for them the confusion is apt to lead to disaster.

The little businessman owes six sorts of payments to his government:

1. Personal income tax.
2. Business income tax.
3. A tax equal to five per cent of the wages of salaried employees. (The employee pays taxes on his wages as well, of course.)
4. Taxes on deposited legal instruments.

5. Tax on accounts. This comprises four different taxes—tax on added value, formerly called "tax on production," which charges sixteen per cent on every manufactured article as sold from the factory; tax on transactions, which means what it says—that depending on the merchandise sold, a tax is exacted every time the item changes hands until it reaches the retailer; local and state taxes; and finally taxes for services, such as truck rentals or the service of an advertising agency—an extended form of the tax for having employees.

6. A complicated and expensive schedule of various forms of social security and insurance. Some of the payments are due monthly, some quarterly, some annually. Both business and personal taxes are then graduated, with surtaxes for the higher brackets.

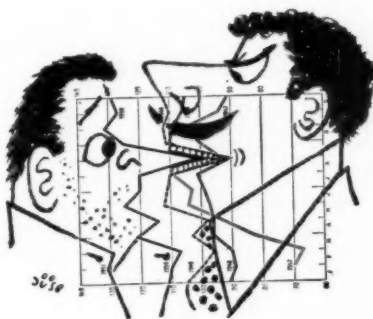
To cap the awkwardness of this structure, French productivity is low, so that, according to government estimates, if the U.S. tax system were applied in France at the higher French rate of taxation, it would yield only sixty per cent of what the present French system yields. Further, since cheating on all forms of income tax has always been the mode here, various Governments have sought to block the leaks by plugging the whole structure with new and less easily avoided taxes. Until the Pinay Administration in 1952, the different taxes were collected by representatives of the respective bureaus, but Premier Pinay

lumped all inspection forces under one chief with the title "Polyvalent Brigade."

"The 'Polyvalents' are required by law to poke around in every shop to look for tax fraud. One of the Union's bitterest complaints is that this law adjudges them beforehand as cheats and proceeds from there. The 'fisc' has the right to open the cash drawer and see what's there, the right to ask clients in the shop to identify themselves, the right to examine stocks, read correspondence, look at bills, receipts, and inventories as well as examine the books. It is this sort of activity that won them the sobriquet *la Gestapo fiscale*. The tax agents themselves don't like it, and at their annual organization meeting in June expressed a preference for a return to the 'friendly settlement' of the good old days.

'I'm Killing Myself'

As it is, the present system literally can drive a man out of business and actually does drive some to suicide. In Poujade's earliest days as chief of the Union, he got a letter from a blacksmith in Meymac, Corrèze, that



said: "I can't pay my taxes. Useless to try to save me. I'm killing myself. The least you can do is to prevent similar tragedies." Poujade telephoned as soon as he got the letter, but the smith had already hanged himself.

The next time he got such a message he replied by wire: FROM NOW ON NOBODY KILLS HIMSELF TO PAY HIS TAXES. SIT TIGHT. I'M COMING. He went, talked to the man, talked to the tax inspector, got the inspector to call Paris headquarters, and extracted a reasonable settlement on a time basis.

The movement, so strong south of the Loire, is only beginning to be important in the Paris region. I was present the other day at one of their "clashes" with the "terrible inquisitors of the tax Gestapo." Two hundred shopkeeper members of the Union, a good many of them wearing berets, stood about in front of the egg, butter, and cheese store of Mme. Alphand, "Au Bon Lait." It was 9 A.M. in a Left Bank neighborhood. Three patrol wagons pulled up at the end of the short narrow street. A police inspector, his uniform aglow with silver braid, approached and called out, smiling: "Well, my good people, are you having a demonstration?"

The shopkeepers said they were, and the inspector politely suggested that they at least walk up and down a bit so that legally they were not blocking traffic. A couple of them stood at the curb joking with him until the tax inspector came. The Paris head of the Union stopped him to explain that he and his fellow Unionists were there to prevent him from checking the books of "Au Bon Lait," and thus oppose a system that was unjust, iniquitous, and a few other things. The tax man listened, looked at the blocked doorway, shrugged his shoulders, and said, "Alors, there is nothing I can do against force," and went away. The police and their patrol wagons left next, and after them the merchants.

Changing Tone

The demonstrations are not always this quiet, but after all, as Jean Blanc, a cantonal delegate of the Union, has pointed out, "They are people of all opinions and situations, but people all resolved to defend their beefsteak." With the impeccably respectable it is more often a matter of beefsteak than of bread. The image of the united *petite-bourgeoisie* tearing up the pavements of Paris and guillotining the Swells is invoked more and more often in speeches and pamphlets as the movement grows. The tone is changing from complaint to menace.

"Our ancestors took the Bastille; a king, a real one, paid for not having made the reforms that were necessary. No less, two centuries later, will their sons accept a tyranny which is in no way different except

in its mediocrity and anonymity," Poujade told one of his meetings not long ago.

Some months back, Poujade had to give up his business to attend to his presidential duties. Since these are unsalaried (members pay dues of only eighty-five cents a year), his income must depend on gifts from his supporters.

Poujade is being played up as a small man. "He is not a Doctor of Laws or a financier; he is neither lawyer nor Member of Parliament. He is Pierre Poujade, little paper dealer of St. Céré, courageous and full of good sense, and it is for this that he merits the confidence of all who are behind him. He understands them, and their worries are his." This quote is from a special issue of *La Vie des Métiers*, a Paris trade paper with a sharp sense of circulation building.

In the Union's own paper, *L'Union*, one can find other statements that give some political color to a movement hitherto rigorously apolitical, and perhaps some hints as to its possible future:

"The Union Vice-President for the Department of Cantal signs his published report with the name Gratacap, and the line 'without title and soon without a shirt.' In his report he says, 'We annoy authorities, we the titleless . . . of the nation who will no longer allow ourselves to be led to the throat-cutter.' A perfect reflection of the barefoot-boy revolutionary tradition."

Another article says, "We should like to be patient and nice, but it would be better perhaps if one didn't provoke us further. It is not prudent to smoke next to a powder keg."

A dispatch on two successive near riots against tax authorities concludes, "No more provocations, Messieurs, or tomorrow it will be worse."

The Fringe Groups

The *petite-bourgeoisie* was not only the backbone of the French Revolution, it was also the backbone of Pétainism. It is not altogether strange that among half a million there should be those who want to go right out and lynch somebody, especially when one is defending the old Pétain verities—*Patrie, Travail,*

Famille: Country, Work, Family—by defending the family business which is the core of France and the source of the beefsteak.

It ties in unpleasantly, however, with the revelation that before Pou-



jade ran off to the R.A.F., to return a Gaullist Resistant, he was a teen-aged fascist bravo in a region where Henry Dorgères's peasant fascists had great strength. There has been boasting in Poujadist circles of an imminent link-up with "the peasant movement," but all the new postwar peasant movements deny it. That still leaves as an ally the shadow organization of the old Dorgères farmers' empire.

Since Communists, by methods familiar to American protection racketeers, have heavily recruited small merchants and artisans during the past two years, there are a surprising number of nominal Reds among Poujadists. Some of the more earnest arranged for Jacques Duclos to appear on the platform at Strasbourg with Poujade just before the Paris convention, and guaranteed adulatory coverage in the Communist press. Poujade turned down the offer in no uncertain terms.

Those who enjoy a little shiver of horror might consider the following curious confluence of events: The first national congress of the Union was held last fall in Algiers, a long and expensive way from the membership stronghold in the impoverished southwest of France. North Africa is the home of many millionaires. Some of these men, who were implacably opposed to Mendès-France's North African policies, are closely linked in Paris with the powerful alcohol lobby, which has its roots among 3,650,000 peasant "*bouilleurs de cru*," who have the

privilege of tax-free home liquor distillation.

The lobby, hurt by Mendès-France's temperance decrees, ganged up to help depose Mendès. A principal target of Poujade is François Mitterand, ostensibly because Mitterand was Minister of Interior and chief of the French police, but the shiverers will remember that Mitterand has been a recognized North African expert in two Cabinets, and quit the Laniel Government over George Bidault's interference in that area.

Bidault a few months back insinuated that Mitterand was guilty of treason in the leaks of French defense secrets to the Communists. It is also remembered that the secret-police officers who uncovered the leaks took their evidence not to their superiors but to career civil servants in the North African Department.

Poujade often echoed the anti-Government, anti-Parliament sentiments first heard from the quarters of important persons who wanted to use the defense leaks to stigmatize the Mendès-France Government in particular and all Parliamentary government in general.

DESPITE the illegality of the Union's seditious utterances and its rattling of phony eighteenth-century pikes, the merchants and artisans have a legitimate complaint to which the Mendès-France Government gave ear. It announced in November that business income taxes would not be imposed on profits amounting to less than \$300 a year, and that for the more prosperous, the income tax on the first \$600 in profits would be cut in half.

Tax inspectors were instructed to be "more supple" in assessing fines, and would be required to explain in detail their demands. If the merchant or artisan was not satisfied with the explanation he could demand arbitration before a board drawn from the Chamber of Commerce, the merchants' trade association, and the tax bureau.

The Government's sop to the agitated *commerçants et artisans* did nothing to correct the system's faults, however, and the Union remains ravenous for justice and beefsteak.

What Do the Communists Mean By 'Peaceful Coexistence'?

VERNON ASPATURIAN

THE SAME DAY Malenkov resigned, Foreign Minister Molotov spoke threateningly about the results of an atomic war: "What will perish," he declared, "will not be world civilization, however much it may suffer from new aggression. But it will be that rotten social system with its imperialist basis soaked in blood, which is moribund and being denounced for its aggressiveness, and rejected because of the exploitation of the working people and of oppressed peoples, that will perish."

This seemed a direct contradiction of Malenkov's statement in March, 1954, to the effect that "a new world war . . . with modern means of warfare, spells the destruction of world civilization." And yet a month and a half later Malenkov had contradicted himself by saying, "If, however, the aggressive circles banking on the atomic weapon should senselessly want to test the strength and might of the Soviet Union . . . such adventure would inevitably lead to the ruin of the capitalist social system."

DO THE Soviet leaders want peaceful coexistence or don't they? Perhaps we had better begin by trying to find out just what the Communists mean by "peaceful coexistence." They certainly don't mean the kind of relationship that is enjoyed by the United States and Canada: That would mean abandoning the Marxist goal of world revolution. Of course, the Communists have repeatedly sought to convey the impression that they accept the common-sense meaning of the term, and this has produced confusion in the outside world. But there is no confusion in Moscow.

Stalin said it for them. Coexistence, in the Soviet view, is never permanent; it is a phase in the permanent struggle to bring about the nonexistence of capitalism. "We can never forget . . .," Stalin said in

1927, "that a great deal depends on whether or not we succeed in delaying war with the capitalist world, which is inevitable, but which may be delayed . . . the maintenance of peaceful relations with the capitalist countries consists in admitting the coexistence of two opposed systems," which, in turn, permits "us to conduct a sort of 'collaboration' with the capitalist world."

For the Communists, the relevant question is not the possibility of coexistence but the length of time



Khrushchev

that it must be endured until the issue of "who shall destroy whom" (Stalin's words) is finally resolved. "As long as capitalism and socialism exist," wrote Lenin, "we cannot live in peace; in the end one or the other will triumph."

According to a 1951 number of the *Communist Review*, the official organ of the British Communist Party, "there are many genuine misunderstandings on this issue, perhaps the most prevalent of which is that peaceful coexistence means the perpetuation of capitalism." In an extraordinarily bald and frank summary of the Communist conception of coexistence, the British journal observed that "surely the conclusion we

must draw is that the struggle for the peaceful coexistence of the two systems is at the same time [as] and presupposes the struggle against one system, the system of capitalism."

'With Gently Smiling Jaws'

The history of Stalin's coexistence with Hitler vividly illustrates the fact that the Communists will coexist with anyone, even their worst enemies, if it is to their temporary advantage. According to Molotov, the Nazi-Soviet pact was signed because "We have always been guided by Lenin's well-known principle of peaceful coexistence of the Soviet state with capitalist countries," and "as this pact . . . is in accord with our principle of peaceful coexistence . . . [it] is in the interest of universal peace."

Molotov, however, had the ill grace to mention similar pacts of coexistence with Poland and the Baltic states, although he had just signed a secret protocol with Ribbentrop which made coexistence with Hitler dependent upon their mutual desire for the nonexistence of Poland and the Baltic states. This was confirmed less than a month later, when Molotov reported the official nonexistence of Poland.

New coexistence treaties immediately signed with the three Baltic states were "based on the recognition of the independent state existence and nonintervention in the internal affairs of the other party"—principles that suspiciously resemble the "Five Principles of Coexistence" which Nehru brought back from Peking. In less than a year, the Baltic states too passed from coexistence to nonexistence.

The Soviet idea of peaceful coexistence is essentially that it is sometimes necessary to take one step backward in order to take two steps forward; it does not imply any commonly understood belief in human values or even any intention to respect the old *pacta sunt servanda* principle which is the basis of international law. Actually, the Communist concept of coexistence is nothing but a restatement of the classic balance-of-power principle, which is effective in preserving peace only so long as the powers stay in balance. "The fundamental and new, the decisive feature," Stalin observed in 1925,

"is the fact that a certain temporary equilibrium of forces has been established between our country . . . and the countries of the capitalist world; an equilibrium which has determined the present period of 'peaceful coexistence.'" It is, he went on to point out, "a period in which the proletariat is mustering its forces . . . for future revolutionary actions."

Thus the key word in this doctrine is "temporary," for the balance between the two worlds is conceived as precariously unstable, subject to upset whenever Soviet power is built to a position of preponderance or the capitalist world is weakened by internal rivalries, conflicts, crises, and wars. It is a cardinal part of Soviet strategy to upset this balance in its own favor by increasing its own power while fomenting strife among the opposition. "The practical task of Communist policy," urged Lenin, "is to incite one against the other . . . we Communists must use one country against another." And, in October, 1952, Stalin expressed the view that war between socialism and capitalism was less likely than internecine conflict in the non-Soviet world. His policy was based on the expectation that the western powers would "fight among themselves and weaken each other" during the current period of coexistence established by "the two counterpoised camps." He dictated, in effect, a soft-pedaling of the basic conflict between Communism and capitalism—but for a reason.

IF TODAY, in conditions of tension in international relations, the North Atlantic bloc is rent by internal strife and contradictions," Malenkov observed in August, 1953, "the lessening of this tension may lead to its disintegration." Thus, the so-called Malenkov "new look," far from being a rupture with Stalin's policy, was, in fact, its consummate implementation. Hobbling NATO, frustrating the EDC, delaying the rearmament of Germany, and trying to neutralize nuclear weapons—all this and more was the legacy left by Stalin to his successors. Given the Communist postulate that only world tensions were holding the western world together, what is more seduc-

tively calculated to relax tensions than succulent assurances of "peaceful coexistence" and the revival of "old-fashioned diplomacy?"

Certainly all this renders the adjective "peaceful" in the Soviet coexistence formula somewhat peculiar. But here again Stalin provides the most authoritative explanation: The Communists are for the elimination of war, but, according to Stalin, "In order to destroy the inevitability of wars, it is necessary to destroy imperialism." In the esoteric language of Communism, "peace" means relentless war against capitalism. "Rev-



Malenkov

olutionary war," according to the Theses of the Comintern (1928), "is but a continuation of the revolutionary peace policy 'by other means.'"

Marxism precludes the notion of coextinction, because Communism irrevocably guarantees a universal millennium purged of poverty, misery, war, and oppression. Hence, by accepting the possibility of annihilation, the validity of the entire Marxist system would be brought into question, for according to the deterministic tenets of Communism man's fate has already been sealed.

Facing Facts

An effort "... to talk with the Soviet Union from the so-called position of strength," warned Maxim Saburov, junior member of the all-powerful Soviet Presidium, in his address of November 6, 1954, "... has never led to success in relations with the Soviet Union."

And yet it is precisely their emphasis upon the necessity of negotiating from positions of strength that characterizes the new Soviet leaders Khrushchev and Bulganin. As early as June, 1954, Khrushchev told the Czech Communist Party: "Peace can be won by the daily strengthening of our armed forces . . . As Comrade Lenin said, 'While capitalist encirclement exists, it is very difficult and complicated to come to terms.'" Since this uncompromising passage clearly conflicted with the Malenkov coexistence line, which was then at its height, it was eliminated from the official version of the speech as published in *Pravda*. "To live with the enemy," Khrushchev further told the Czechs in another suppressed passage, "one must be strong. We have done everything possible. We created the atom bomb; we outstripped the capitalist class and created the hydrogen bomb before them . . . They think they can intimidate us. But nothing can frighten us because if they know what the bomb means, so do we."

The new Soviet policy, as Marshal Bulganin made clear in his maiden speech as Premier, will rest upon "The strengthening . . . and the maintenance of the military fitness of the gallant armed forces on the level dictated by the interests of our country, the international situation, and the developments in military science. . . ."

THUS Maxim Saburov's views would seem to have been controverted by recent history. For the positions of strength taken by the western powers *have* been successful, at least to the extent that they have forced the Soviet leaders to admit, with a refreshing degree of candor, their own reliance upon positions of strength. The situation is not one that promises much quiet to the world—not to speak of peace. But it does serve to remind us that the first condition that makes coexistence with the Communists possible is the strength of our own existence. And that strength depends not only on armaments, conventional and otherwise, but also on our own awareness of danger and, most important of all, on the practical effectiveness and endurance of our ideals in the midst of that danger.

The Zone of Silence



IN THE PACIFIC off Vancouver Island, there is a stretch of water known as "The Zone of Silence." Because this area is acoustically dead, no sound can penetrate it. And since no siren or bell warns ships of dangerous reefs, the ocean floor is studded with wrecks.

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THE REPORTER

136 East 57th Street, New York 22, N. Y.

Behind the Soviet Facade

ISAAC DEUTSCHER

I. H-Bombs or Houses?

MALENKOV's sudden resignation on February 8 from the post of Soviet Prime Minister was the outcome of a dramatic struggle that had gone on in Moscow's ruling circles throughout 1954 and that concerned every major aspect of Soviet domestic and foreign policy. It is now possible on the basis of circumstantial evidence to trace the main phases of the struggle and to describe the broad alignments that were formed in the process and the crucial issues that were at stake.

Early last year the Presidium of the Central Committee, the government departments, and Gosplan (the State Planning Commission) began to formulate the principles on which the sixth Five-Year Plan was to be based. The Plan will start to operate next year, and will determine the development of the Soviet economy up to 1960. Its special importance lies, among other things, in the fact that it will aim for the first time at a comprehensive and close co-ordination of the Soviet economy with those of the entire Soviet bloc.

The crucial issue over which the struggle which led to Malenkov's downfall was waged can be listed under the following headings:

¶ The question of the relative importance of heavy and light industries, or producer goods and consumer goods, in the new Plan;

¶ The scale of planned capital investment in power stations working on atomic energy;

¶ The scope and character of the Soviet contribution toward the economic development of China and of eastern Europe in 1956-1960; and last but not least,

¶ The size of the Soviet armament expenditure during that period with special reference to the armament of China.

The Lines Are Drawn

As the debate over these issues proceeded, two distinct groups formed

themselves within the Presidium. The group headed by Malenkov and Minister of Trade Anastas I. Mikoyan saw the main objective of the new Five-Year Plan in achieving a continuous and massive rise in Soviet standards of living, a rise which would result in an approximate doubling of consumption between 1955 and 1960. To attain this objective, light industry would have to be given priority in the allocation of capital equipment, manpower, and raw materials; and the general tempo of its expansion would have to be quicker than, or at least equal to, the tempo of development in heavy industry throughout the coming five-year period.

The advocates of this policy, headed by Malenkov, argued that in view of the enormous success achieved in the reconstruction and expansion of the heavy-industry base, the Soviet Union could well afford such a program. Indeed, they said, the mood in the country and considerations of social and political stability demanded a long respite from the forcible industrialization of the Stalin era. They pointed to the lack of balance between the various branches of the Soviet economy, to the long neglect of consumer industries, and more especially to the intolerable condition of Soviet housing.

The debate was indeed concentrated more on the housing problem than on consumer industries in general. In the last thirty years the urban population of the Soviet Union had increased by over fifty million people and by not less than seventeen million in the last five years. The houses newly built had been barely enough to make good wartime destruction. The overcrowding of the Soviet cities, towns, and industrial centers had become a social calamity; and it affected most adversely the morale and industrial efficiency of the working class. Therefore housing

loomed larger in the controversy than the output of clothing, footwear, etc.—fully as large as the shortage of meat and dairy produce. At least a decade of building on a gigantic scale would be needed to clear the slums left behind by Stalin's industrial revolution and to bring the housing conditions of the Soviet people nearer the standards of any modern industrial nation. But a housing program on the scale required would obviously and most heavily compete for materials and manpower with the basic industries.

FROM the beginning, Defense Minister Nikolai A. Bulganin and Deputy Prime Minister Lazar M. Kaganovich were apparently the chief opponents of this ambitious pro-consumer program. Communist Party Secretary Nikita S. Khrushchev seems to have joined them only later, not without hesitation. From the Presidium of the Central Committee the controversy spread to government departments, planning authorities, universities, the general staff of the Soviet Army, and the editorial offices of the most important papers. Although the general public was kept in the dark, wider circles were in fact drawn into the debate than appeared. Indeed, no controversy as wide as this had occurred in Russia for at least twenty-five years.

Bulganin and Kaganovich found powerful allies in the army and in Gosplan. The Malenkov-Mikoyan view, on the other hand, found widespread but less influential support in academic and journalistic circles, among the intelligentsia, among the heads of the light industries, and in party cadres concerned closely with the nation's morale.

It was apparently with the greatest surprise that Malenkov saw the economic planners arrayed against his policy—he must have expected Gosplan to lend strong support to his pro-consumer line. But the spokesmen of Gosplan argued that his program was unrealistic, and that Russia's present industrial base could not yet support it, especially the extensive housing program. On behalf of the Gosplan "brain trust," S. Strumilin, the veteran chief of Gosplan, pointed out that as a rule the producer industries must expand at the rate of at least eighteen per

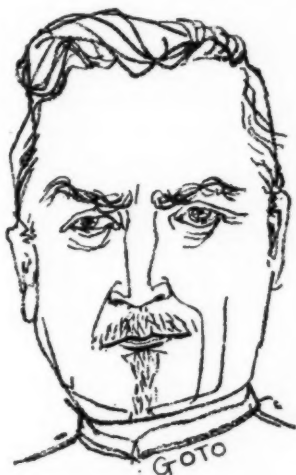
cent if the consumer industries were to expand by as much as ten per cent per year. Otherwise, after a short time the consumer industries would stagnate for lack of machinery. Heavy industry must therefore still be given top priority even if only to enable it to sustain a rather modest rise in standards of living. It was imprudent and positively dangerous, so the Gosplan leaders concluded, to arouse exaggerated popular hopes: Only during the first two or three years of the next Five-Year Plan could consumer industries, including the building industry, expand by about twelve per cent annually; afterward even that rate could not be maintained. Throughout that period the rate of expansion in heavy industry would have to be of the order of twenty per cent, and industrial construction would have to come before housing.

THE GOSPLAN spokesmen also insisted that the coming Five-Year Plan ought to initiate the reconversion on a fairly large scale of Soviet industry, from coal to atomic energy. This again would require heavy capital investment. Finally Gosplan waited for party leaders to make up their minds about whether and how much the Soviet Union should contribute to the industrialization of the People's Democracies. There too the question had to be resolved whether heavy or light industry would be favored. The Malenkov group favored light industry throughout the Soviet bloc, while its opponents were inclined to favor the development of the basic industries in eastern Europe as well.

The debate was further complicated by conflicting predictions of armament expenditures in the coming five-year period. The pro-consumer group hoped that Soviet diplomacy would by means of its "peace offensives" bring about a decline in international tension and a stop or a slowing down in the armament race. The opponents of the Malenkov group dismissed this view as wishful thinking.

The army leaders were from the beginning alarmed by the Prime Minister's "consumptionist" bias. They saw in it a threat to the Soviet military potential and almost certainly argued that it was dangerous to tie

up a high proportion of the country's resources and manpower in light industry. If the threat of war arose suddenly, heavy industry could be switched over to the production of munitions almost overnight; the re-conversion of light industries, on the other hand, would be difficult and slow. The army was therefore interested on principle in seeing as much labor and materials as possible concentrated in the basic industries. The Marshals joined hands with the leaders of Gosplan in an otherwise



Bulganin

somewhat unnatural alliance against the Prime Minister and his supporters. The Gosplan-army bloc finally brought Khrushchev over.

Answer to NATO

International developments continuously and closely influenced the course of the controversy. The rejection of EDC by the French Parliament last summer strengthened the Malenkov group for a while. Khrushchev vacillated. But early in the fall the Presidium was no longer in the mood of exultation it had felt immediately after the rejection of EDC. Molotov evidently reported that the NATO powers were after all likely to obtain France's agreement to Germany's inclusion in NATO. By the beginning of October the Presidium had already adopted draft directives for the Five-Year Plan. These provided only for a modest growth of consumer industries, and this only in the first two or three years of the coming five-year period.

By the beginning of October, too, the Presidium had already prepared a tentative scheme for the Soviet "countermoves" to the inclusion of West Germany in the NATO. The scheme provided for a massive rise in armament expenditure. (The ten per cent increase in the 1955 defense budget, announced just before Malenkov's resignation, is only a first installment.) The scheme also provided for the setting up of a joint command for all the armed forces of the Soviet bloc, a counterpart to SHAPE. The Presidium had also resolved to propose to Mao Tse-tung that he should decree universal military service in China.

The implications of this last proposal were staggering. China had so far refrained from introducing conscription because industrial weakness would not allow the arming of conscripts. Conscription in China of one year's class alone would yield about four million military recruits. The training of, say, five classes could in a few years place at the disposal of the supreme command of the Soviet bloc a new reserve of twenty million soldiers. (Apparently Molotov had in mind this counter-coup to the armament of West Germany when he said at the last session of the Supreme Soviet that the "western imperialists" would adopt a different language vis-à-vis Russia once they saw what the Soviet countermeasures were.) But in order to obtain so vast a strategic reserve, the Soviet Union would have to build up China's industries and also supply much of the ready armament from its own stocks.

IT WAS with this scheme that Khrushchev, Bulganin, and other Soviet leaders went to Peking last October to obtain Mao Tse-tung's consent. (The factions in Moscow had, of course, vied with each other for his support.) Mao consented to work on the basis of the new military-industrial scheme. Thus a decisive blow was struck at the hopes for a rapid expansion of Soviet consumer industries.

The defeat of the Malenkov group was sealed when the French Parliament ratified the London and Paris agreements at the end of last year. Malenkov's resignation was a foregone conclusion. The chief opponent

of the consumptionist policy, Marshal Bulganin—backed by Khrushchev, army leaders, Gosplan, and all who mistrusted the “liberal” trend of the Malenkov régime—stepped forward as candidate for the Premiership. Significantly, on the day after Malenkov’s resignation Peking decreed universal conscription.

The intensified building up of Soviet heavy industry, increased armament expenditure, the new Chinese Army, and supreme Soviet command over all the armed forces from the China Sea to the Elbe—these are the new “positions of strength” from which Molotov expects to negotiate with the West.

II. The Marshals in Politics

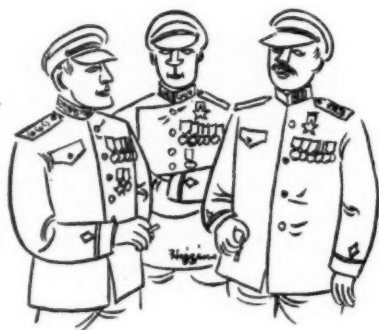
THE APPOINTMENT of Marshal Zhukov to the post of the Soviet Minister of Defense has emphasized the growth of the military influence in the Soviet government. The Marshal is not only Minister of Defense—he has also been introduced into the inner Cabinet as one of the Vice-Premiers. Thus, three Marshals now stand at the head of the Administration: Voroshilov as President, Bulganin as Premier, and Zhukov.

Never before in the history of the Soviet Union has the military element been so strongly represented in government. To keep the military influence within very narrow limits was a matter of deliberate policy. The leaders of the Bolshevik Party had always had the precedents of the French Revolution in their minds and had given much thought to the idea that in Russia, too, a Bonaparte might one day “climb to power on the back of the revolution.” Both Stalin and Trotsky, for all their bitter disagreements, agreed on this, and each, from his own angle, kept an anxious eye on the danger of the “potential Bonaparte.” Stalin himself eventually donned the Generalissimo’s uniform and acted a half-phony Bonaparte in order to keep out any authentic candidate for the role. He sent three popular Marshals of the prewar period—Tukhachevsky, Bluecher, and Yegorov—to their death; and then he relegated to obscurity the victorious Marshals of the Second World War and exiled Zhukov, whose name had become a legend to the Russian people, to the backwater of Odessa.

ARE STALIN’S heirs then no longer obsessed with the fear that the

phantom of a Russian Bonaparte may materialize and turn against them? It is difficult to believe it. But evidently they could not help yielding so much ground to the military.

After March, 1953, amid all the uncertainties of the struggle for the succession to Stalin, while the triumvirate of Malenkov, Molotov, and Beria was breaking down in ignominy, the Marshals gained in status, pres-



tige, and influence. They represent an element of stable authority. For the present they wield the only instrument of power capable of dealing effectively with any internal disorder, should disorder arise. The other instrument, the security police, has been discredited, disorganized, and shattered, first by the exploding of the “doctors’ plot,” then by Beria’s disgrace, and finally by the extensive purging of Beria’s followers. The prerogatives of the security police have been drastically curtailed and its self-confidence and striking power have been broken. Nobody represents the political police in the Presidium of the party, while in Stalin’s days the chief of police, as long as he was its chief, was one of the first

members of the Politburo. The head of the Security Committee, which was formed after Beria’s downfall, is an obscure and subordinate official who has only recently been promoted to the rank of junior Minister.

Stalin’s régime was predominantly, but not entirely, a police state. What replaces it is not yet a military dictatorship. It is still the rule of the party, but that rule contains an unmistakable and growing ingredient of a military dictatorship. The Marshals, aware of their strong position, are demanding a say in the conduct of affairs; and the party leaders cannot ignore the claim.

Vasilevsky vs. Zhukov

Soviet military leaders, however, do not form a single group united in outlook and aspirations. For obvious historical reasons the Soviet officers’ corps is even now more heterogeneous than the officers’ corps of any other country. Its members are divided over issues of strategy and policy and by differences in background and tradition, not to speak of clashes of personal ambition. These cleavages have in recent years been epitomized in the antagonism between two Marshals: Vasilevsky and Zhukov. The rivalry of these two soldiers was just beneath the surface in the latest governmental crisis in Moscow. It is indeed a striking outcome of that crisis that the rise of Zhukov is accompanied by a quiet eclipse of Vasilevsky. Vasilevsky is now Zhukov’s subordinate—though presumably he still holds the office of Vice-Minister of Defense—while during the last ten years he was Zhukov’s superior.

The antagonism between the two Marshals goes back at least to the time of the Battle of Stalingrad in 1942. Ever since then it has been reflected in all of Moscow’s military arrangements and shifts of power. The personal rivalry has been tied up with conflicting claims to credit for victories, to honor and glory.

But apart from this, the two Marshals also represent two different outlooks in the Soviet officers’ corps. While Vasilevsky has been its most powerful chief of staff, Zhukov is its greatest combat general. Vasilevsky’s domain is over-all planning and logistics. He has kept aloof from

other aspects of army life. Zhukov, on the other hand, has come to be looked upon as the very embodiment of the army, of its endurance, courage, and popular spirit—in a word of all those qualities which Tolstoy in *War and Peace* attributed to Kutuzov, and which Russians still like to attribute to their military heroes.



Zhukov

Vasilevsky came to the Red Army as a "specialist," not as a Communist. In the early years of the Soviet régime many professional officers served the Soviet government from a feeling that, whatever their political reservations, they owed allegiance to the only effective government of Russia. In the minds of those soldiers Russian nationalism prevailed over dislike of Communism.

The most eminent of them was Marshal Shaposhnikov, a general staff officer in Czarist days. Vasilevsky was Shaposhnikov's disciple and follower, and he succeeded Shaposhnikov as chief of staff. It is characteristic of Vasilevsky that he refused to join the Communist Party until 1938; at the age of forty-three, after the Tukhachevsky purge, he at last took that step in order to demonstrate his loyalty to the government in view of approaching war. During the Second World War Vasilevsky was one of the chief inspirers of the vehement nationalism of those years and of the glorification of old Czarist military traditions, legends, and heroes. In the postwar years he stood for a rigorous political régime inside the Soviet Union and for

keeping it and the Soviet bloc hermetically isolated from the West. He feared that contact with the West would have a disintegrating effect on popular morale. He threw the whole weight of his influence behind the reactionary campaigns waged in the close of the Stalin era against "rootless cosmopolitanism," against "kowtowing before the West," against the Jews, etc.

It is almost certain that Vasilevsky lent a hand in concocting the "doctors' plot." When the accusation against the doctors was being prepared, Vasilevsky was singled out to be presented to public opinion as the conspirators' chief target. And, curiously enough, Zhukov was not even mentioned among the military leaders whom the conspirators allegedly planned to assassinate. Vasilevsky enjoyed Stalin's confidence and was Minister of Defense in the dark years 1950-1952, and until the moment of Stalin's death.

He Liked Ike

Zhukov's background is very different. Of peasant origin, a workman in his youth, he volunteered for the Red Army early in the civil war. He joined the Communist Party in 1919, when Bolshevik fortunes were at their lowest ebb and the White armies were almost within reach of Moscow and Petrograd. Mentally formed in the Leninist period, he adapted himself to Stalin's régime but apparently preserved much of his early Communist conviction, some internationalist sentiment, and an informal kindness and even warmheartedness in personal relations.

Both as a commander and as head of the Soviet military administration in Germany he resented the interference of the security police with the army and chafed at Stalin's suspicious control over his own doings in Berlin. That control was so clumsy and so obvious to western commanders that it made Zhukov's proud face blush. He could not conceal his humiliated embarrassment from General Eisenhower, with whom he established something like a friendly relationship, but before whom he also defended with dignity his Communist convictions. For his disregard of some of the instructions from Moscow, for the informality of

his behavior, and, above all, for his dangerous popularity, Zhukov had to pay the penalty. Only after five years in Odessa was he allowed by Stalin to reappear in public. But at the Nineteenth Party Congress in October, 1952, Stalin prepared his last humiliation. At that Congress Vasilevsky was elected as full member of the Central Committee of the party, while Zhukov, the authentic veteran Communist, was elected only a candidate member.

Zhukov seems by all accounts to be a more sympathetic character than Vasilevsky. Whether President Eisenhower will find him "easy to get along with" is another question. The memories of the "soldierly friendship" of the two Allied commanders hardly carry much weight in the shaping of foreign policy. They will certainly carry little weight with Molotov, who remains in charge of diplomacy. But Zhukov's rise does indicate that the party leaders, while yielding to the army's pressure for more toughness in both foreign and domestic policies, are nevertheless anxious to keep at bay the more extreme, xenophobic, and politically ambitious elements of the officers'



corps, the elements that presumably follow Vasilevsky's lead.

THE PRESENT alignment is to all intents and purposes an alliance between the "tough" party leaders and the moderate, party-minded soldiers. But even the moderate soldiers have evidently turned against Malenkov's "soft" policy; and Zhukov, too, seems to fear that "Soviet softness is mistaken for weakness by the West."

VIEWS & REVIEWS

How to Tell Good Guys from Bad Guys

JOHN STEINBECK

TELEVISION has crept upon us so gradually in America that we have not yet become aware of the extent of its impact for good or bad. I myself do not look at it very often except for its coverage of sporting events, news, and politics. Indeed, I get most of my impressions of the medium from my young sons.

Whether for good or bad, television has taken the place of the sugar-tit, soothing syrups, and the mild narcotics parents in other days used to reduce their children to semi-consciousness and consequently to semi-noisiness. In the past, a harassed parent would say, "Go sit in a chair!" or "Go outside and play!" or "If you don't stop that noise, I'm going to beat your dear little brains out!" The present-day parent suggests, "Why don't you go look at television?" From that moment the screams, shouts, revolver shots, and crashes of motor accidents come from the loudspeaker, not from the child. For some reason, this is presumed to be more relaxing to the parent. The effect on the child has yet to be determined.

I HAVE observed the physical symptoms of television-looking on children as well as on adults. The mouth grows slack and the lips hang open; the eyes take on a hypnotized or doped look; the nose runs rather more than usual; the backbone turns to water and the fingers slowly and methodically pick the designs out of brocade furniture. Such is the appearance of semi-consciousness that one wonders how much of the "message" of television is getting through to the brain. This wonder is further strengthened by the fact that a television-looker will look at anything at all and for hours. Recently I came

into a room to find my eight-year-old son Catbird sprawled in a chair, idiot slackness on his face, with the doped eyes of an opium smoker. On the television screen stood a young woman of mammary distinction with ice-cream hair listening to a man in thick glasses and a doctor's smock.

"What's happening?" I asked.

Catbird answered in the monotone of the sleepwalker which is known as television voice, "She is asking if she should dye her hair."

"What is the doctor's reaction?"

"If she uses Trutone it's all right," said Catbird. "But if she uses ordinary or adulterated products, her hair will split and lose its golden natural sheen. The big economy size is two dollars and ninety-eight cents if you act now," said Catbird.

You see something was getting through to him. He looked punch-drunk, but he was absorbing. I did not feel it fair to interject a fact I have observed—that natural golden sheen does not exist in nature. But I did think of my friend Elia Kazan's cry of despair, and although it is a digression I shall put it down.

We were having dinner in a lovely little restaurant in California. At the table next to us were six beautiful, young, well-dressed American girls of the age and appearance of magazine advertisements. There was only one difficulty with their perfection. You couldn't tell them apart. Kazan, who is a primitive of a species once known as men, regarded the little beauties with distaste, and finally in more sorrow than anger cried, "It's years since I've seen or smelled a dame! It's all products, Golden Glint, l'Eau d'Eau, Butisan, Elyn's puff-adder cream—I remember I used to like how women

smelled. Nowadays it's all products!"

End of digression.

Just when the parent becomes convinced that his child's brain is rotting away from television, he is jerked up in another direction. Catbird has corrected me in the Museum of Natural History when I directed his attention to the mounted skeleton of a tyrannosaur. He said it was a brontosaurus but observed kindly that many people made the same error. He argued with his ten-year-old brother about the relative cleanness of the line in Praxiteles and Phidias. He knows the weight a llama will bear before lying down in protest, and his knowledge of entomology is embarrassing to a parent who likes to impart information to his children. And these things he also got from television. I knew that he was picking up masses of unrelated and probably worthless information from television, incidentally the kind of information I also like best, but I did not know that television was preparing him in criticism and politics, and that is what this piece is really about.

Indigenous Art Form

I will have to go back a bit in preparation. When television in America first began to be a threat to the motion-picture industry, that industry fought back by refusing to allow its films to be shown on the home screens. One never saw new pictures, but there were whole blocks of the films called Westerns which were owned by independents, and these were released to the television stations. The result is that at nearly any time of the day or night you can find a Western being shown on some television station. It is not only the children who see them. All of America sees them. They are a typically American conception, the cowboy picture. The story never varies and the conventions are savagely adhered to. The hero never kisses a girl. He loves his horse and he stands for right and justice. Any change in the story or the conventions would be taken as an outrage. Out of these films folk heroes have grown up—Hopalong Cassidy, the Lone Ranger, Roy Rogers, and Gene Autry. These are more than great men. They are symbols of courage, purity, simplicity, honesty, and

right. You must understand that nearly every American is drenched in the tradition of the Western, which is, of course, the celebration of a whole pattern of American life that never existed. It is also as set in its form as the *commedia dell'arte*.

End of preparation.

ONE AFTERNOON, hearing gunfire from the room where our television set is installed, I went in with that losing intention of fraternizing with my son for a little while. There sat Catbird with the cretinous expression I have learned to recognize. A Western was in progress.

"What's going on?" I asked.

He looked at me in wonder. "What do you mean, what's going on? Don't you know?"

"Well, no. Tell me!"

He was kind to me. Explained as though I were the child.

"Well, the Bad Guy is trying to steal Her father's ranch. But the Good Guy won't let him. Bullet figured out the plot."

"Who is Bullet?"

"Why, the Good Guy's horse." He didn't add "You dope," but his tone implied it.

"Now wait," I said, "which one is the Good Guy?"

"The one with the white hat."

"Then the one with the black hat is the Bad Guy?"

"Anybody knows that," said Catbird.

For a time I watched the picture, and I realized that I had been ignoring a part of our life that everybody knows. I was interested in the characterizations. The girl, known as Her or She, was a blonde, very pretty but completely unvoluptuous because these are Family Pictures. Sometimes she wore a simple gingham dress and sometimes a leather skirt and boots, but always she had a bit of a bow in her hair and her face was untroubled with emotion or, one might almost say, intelligence. This also is part of the convention. She is a symbol, and any acting would get her thrown out of the picture by popular acclaim.

The Good Guy not only wore a white hat but light-colored clothes, shining boots, tight riding pants, and a shirt embroidered with scrolls and flowers. In my young days I used to work with cattle, and our

costume was blue jeans, a leather jacket, and boots with run-over heels. The cleaning bill alone of this gorgeous screen cowboy would have been four times what our pay was in a year.

The Good Guy had very little change of facial expression. He went through his fantastic set of adventures with no show of emotion. This is another convention and proves that he is very brave and very pure. He is also scrubbed and has an immaculate shave.

I turned my attention to the Bad Guy. He wore a black hat and dark clothing, but his clothing was definitely not only unclean but unpressed. He had a stubble of beard but the greatest contrast was in his face. His was not an immobile face. He leered, he sneered, he had a nasty laugh. He bullied and shouted. He looked evil. While he did not swear, because this is a Family Picture, he said things like "Wall dog it" and "You rat" and "I'll cut off your ears and eat 'em," which would indicate that his language was not only coarse but might, off screen, be vulgar. He was, in a word, a Bad Guy. I found a certain interest in the Bad Guy which was lacking in the Good Guy.

"Which one do you like best?" I asked.

Catbird removed his anaesthetized eyes from the screen. "What do you mean?"

"Do you like the Good Guy or the Bad Guy?"

He sighed at my ignorance and looked back at the screen. "Are you kidding?" he asked. "The Good Guy, of course."

Now a new character began to emerge. He puzzled me because he wore a gray hat. I felt a little embarrassed about asking my son, the expert, but I gathered my courage. "Catbird," I asked shyly, "what kind of a guy is that, the one in the gray hat?"

He was sweet to me then. I think until that moment he had not understood the abysmal extent of my ignorance. "He's the In-Between Guy," Catbird explained kindly. "If he starts bad he ends good and if he starts good he ends bad."

"What's this one going to do?"

"See how he's sneering and needs a shave?" my son asked.

"Yes."

"Well, the picture's just started, so that guy is going to end good and help the Good Guy get Her father's ranch back."

"How can you be sure?" I asked.

Catbird gave me a cold look. "He's got a gray hat, hasn't he? Now don't talk. It's about time for the chase."

Got Him Pegged

There it was, not only a tight, true criticism of a whole art form but to a certain extent of life itself. I was deeply impressed because this simple explanation seemed to mean something to me more profound than television or Westerns.

Several nights later I told the Catbird criticism to a friend who is a producer. He has produced many successful musical comedies. My friend has an uncanny perception for the public mind and also for its likes and dislikes. You have to have if you produce musical shows. He listened and nodded and didn't think it was a cute child story. He said, "It's not kid stuff at all. There's a whole generation in this country that makes its judgments pretty much on that basis."

"Give me an example," I asked.

"I'll have to think about it," he said.

WELL, that was in March. Soon afterward my wife and I went to Spain and then to Paris and rented a little house. As soon as school was out in New York, my boys flew over to join us in Paris.

In July, my producer friend dropped in to see us. He was going to take an English show to New York, and he had been in London making arrangements.

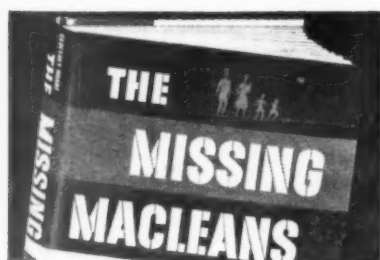
He told us all of the happenings at home, the gossip and the new jokes and the new songs. Finally I asked him about the McCarthy hearings. "Was it as great a show as we heard?" I asked.

"I couldn't let it alone," he said.

"I never saw anything like it. I wonder whether those people knew how they were putting themselves on the screen."

"Well, what do you think will happen?"

"In my opinion, McCarthy is finished," he said, and then he grinned. "I base my opinion on your story



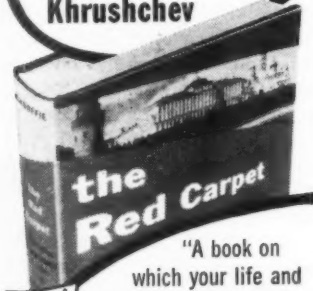
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about Catbird and the Westerns."

"I don't follow you."

"Have you ever seen McCarthy on television?"

"Sure."

"Just remember," said my friend. "He sneers. He bullies, he has a nasty laugh and he always looks as though he needs a shave. The only thing he lacks is a black hat. McCarthy is the Bad Guy. Everybody who saw him has got it pegged. He's the Bad Guy and people don't like the Bad Guy. I may be wrong but that's what I think. He's finished."

The next morning at breakfast I

watched Catbird put butter and two kinds of jam and a little honey on a croissant, then eat the treacherous thing, then lick the jam from the inside of his elbow to his fingers. He took a peach from the basket in the center of the table.

"Catbird," I asked, "did you see any of the McCarthy stuff on television?"

"Sure," he said.

"Was he a Good Guy or a Bad Guy?" I asked.

"Bad Guy," said Catbird, and he bit into the peach.

And, do you know, I suspect it is just that simple.

'The Most Famous Book That Was Never Written'

FRANCIS DOWNING

ACTON ON HISTORY, by Lionel Kochan. British Book Centre, \$3.

A NEW BOOK about Lord Acton could appear at no more appropriate time than now, when bright young neo-conservatives are shrill in their discovery that democracy is shadowed by totalitarianism.

Acton was aware of such a danger a century ago. But he fled to no conservative tower hugging Edmund Burke as shield and buckler. He remained a great liberal coerced by evidence, obedient to conscience and truth. Yet our disappointment about him is almost equal to his greatness.

The disappointment about Acton lies in this: He was regarded as the most erudite man of his time and he is almost the least productive of all erudite men. Lectures, essays, letters, reviews, five hundred boxes of notes and notebooks — this little is the progeny of that great mind. Two lectures on liberty, one containing a famous definition of freedom—this is all we have of the *History of Liberty* he was to write, the most famous book, someone has said, that was never written. The conflict and chaos of the new industrialism may have overwhelmed the nineteenth-century historians and called for specialists. But Acton's failure to write his book

can hardly be attributed to the rise of the factory system.

It gives us some idea of Acton's character, of the quality of his mind, of the depth and breadth and range of his knowledge, of the respect and even awe in which men held him (and still do) that even now, and perhaps as long as the English language is used, men will mourn the loss of that book he never wrote and tease their minds to account for its unwilling failure to be born. In what other intellectual miscarriage have men shown such curious and constant interest? Not the least of his fascination is the fact that Acton was a Catholic and a liberal. He wrote of himself that he "renounced everything in Catholicism which was not compatible with liberty, and everything in Politics which was not compatible with Catholicity." Because he violently opposed the dogma of papal infallibility in 1870, but neither left the Church nor wanted excommunication from it, many writers have accused him of moral cowardice.

Because he regarded murder as the worst of crimes and condemned it equally whether done by Cardinal Ximenes, William III, or Napoleon, he has confounded men who

could not admit his moral code or were unwilling so vigorously to apply it. He regarded history as an "awful agony" in a day when Huxley thought scientists possessed the last of knowledge and Bury saw history as a stream of infinite Progress.

That men are born in original sin was as clear to him as it was that no baptism ever wholly cleansed. "Three great things are not what they seem," he wrote, "fame, antiquity, and power." Now all men know his great dictum about power's ability to corrupt. If men were great, he asked how often they were bad. He saw little glory in war but looked always at "the effects of wounds." He scanned democracy with a gimlet eye, wondering when it would yield

to totalitarianism, because he thought democracy, in its foundations, lacked moral criteria.

All these things about Acton and his conception of history Mr. Kochan works out for us in a book that depends more than most on Acton's manuscript notes, until recently not available. It must be stated that in spite of its cogency and evident scholarship, this is a duller book than Acton deserves. Yet Mr. Kochan has perceived Acton's essential meaning for us: Those who know history's "awful agony" cannot, like many intellectuals, be "reduced to agnostic despair." Nor are they easy victims of our present rhetorical religiosity. For Acton is a part of our richest political education.

Homage to Leopardi

I. His Life at Recanati

DONALD J. HALL

"AND WHY the genius of Leopardi should have been expressed in so pessimistic a form," said the Countess Leopardi, "has been the subject of endless discussion. The strictness of his upbringing, the jealous conventionality of his father, the religious fanaticism of his mother—who it must be said all the same saved the family fortune—the narrowness of provincial life in Recanati at the beginning of the nineteenth century, unsatisfied love, all these have been put forward. Does it matter? His pessimism was never like Pope's—sour; it came from his sorrow for the suffering of all men, of the human heart. Two years ago, there was a conference of doctors who discussed the pathological aspect. Ridiculous. Genius is not something that can be explained. Leopardi was the greatest Italian poet since Dante. That is surely enough."

FROM my window . . . One continually finds oneself beginning so when writing from Italy. There is always a frame, a logical one whether in thought, speech, or sight. Certainly always to the sight; a countryside

seen through an archway with an old woman in black seated against the wall; a group of choirboys between pillars, their heads inclined as Lotto saw them (and looking as angelic as they are not); a campanile with the sun touching its spire enclosed by the high leaning walls of a climbing street; or the wide Italian countryside, whether of Umbria, the Abruzzi, or the Marche, seen through the window of a house on a hill. Nearly always the house must be on a hill, since there was then at least some chance of its being defended. For us in England there must always be cypresses, because we are used to the Tuscan and Umbrian painters.

Here at Recanati in the Marche are no cypresses. On the one side low hills with young corn and olive groves and vines fall toward the deep blue of the Adriatic fifteen miles away; and, on the other, I see from my window first the darkness of a valley five hundred feet below me and then the fertile campagna with steeper hills, on which are olives and orchards and clouds of peach blossom, rising higher and higher to the foothills of the great mountains, the

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Gran Sasso, where the snow is pink in the evening light.

THIS is Recanati, the town of Giacomo Leopardi, who was born here in 1798 and died in Naples just under thirty-nine years later. The hill on which it stands is long and narrow so that there is no room for more than one long street with a large piazza halfway, and short alleys on either side that lead to a steep drop, almost a precipice, to the valleys. For an Italian town it is quiet, and there is an air of self-contained repose; there is little traffic and its dramatic position is in contrast to the unspectacular behavior of the people. There are small square gardens, like the one below my window, at the backs of the houses.

Why was Leopardi unhappy here? Why did he write of it sometimes with loathing? Yet, after he had broken away, why did he always long to return? According to his brother Carlo, all his best work was written in Recanati, though "La Ginestra" was not written there. When at last he persuaded his father to let him go to Rome to stay with his relations, the Antici, who still have a palazzo in Recanati, he was unhappy there too.

That was in 1823 when Rome was glorying in its revival after French domination. Stendhal was there, enjoying himself a great deal. But Leopardi never met him. He was only twenty-five, with an erudition and brilliance such as we in our generation might find inconceivable. But he was shy, and he despised Roman society for its superficiality as he had his home town for its conventionality. Each was the extreme of boredom and depression. Only the Prussian Ambassador Niebuhr recognized his astonishing quality and recommended him to the great Car-

dinal Consalvi, who was virtual ruler of Rome. But the price of the rapid promotion offered young Leopardi by the Cardinal was that he should enter the priesthood, and this he declined to do. He would be tied to nothing: It was both his weakness and his strength. From that time on he repeatedly returned to Recanati, always ailing, and as repeatedly escaped until in 1830 he left for the last time to die in Naples seven years later.

THE COUNTESS, who is most kind to me and has given me the full use of the library, showed me the book in which Giacomo's father, Monaldo, kept a minute record of all happenings in this family. But the entry of Giacomo's death was written by his sister, Paolina, the only entry not in his father's hand.

"Di 14 Junio 1839 mori nella città di Napoli questo mio diletto Fratello divenuto uno de' primi letterati d'Europa. Fu tumulato nella chiesa di San Vitale, sulla via di Pozzuoli. Addio caro Giacomo — quando ci rivedremo in Paradiso?"

Monaldo could not bring himself to write of his son's death. The Countess thought this an answer to those who accused him of coldness toward his son. Absurd, self-satisfied, strict, by modern standards impossibly so, but devoted. Had he not fainted from emotion on seeing Giacomo when he had returned once after a long absence? It is interesting to note, too, that his sister already recognized what was soon to be widely acknowledged, that before his miserable death at only thirty-eight, he had become one of the foremost literary figures in Europe.

TO STAY in Recanati is to understand a great deal. The atmosphere of 130 years ago still lingers: the pride of the Marche nobility; the conventionality and the hospitality; the indifference to, even contempt for, what is going on in the rest of Italy; the prosperity of the countryside spreading out below the hilltop, a countryside owned in good measure by the large proprietors; the sixteenth- and seventeenth-century palazzi lining the narrow street. It is true that many of the proprietors spend much of their time in Rome, but they all return to Recanati, par-

ticularly in summer when there are breezes on the hilltop. That is the enchantment, for Leopardi a frightening nostalgia; they have to return.

When I came first to Recanati, I felt that here I could remain; in its quiet and its remoteness I could write. But it is a confining, a possessive influence that Recanati excites. I find myself restless; even the breezes that blow are caught by Recanati to be made its own. I, at least, have the means to leave. Not so poor Giacomo, with no house but his father's and no money but what his father gave him. But like him, I know I shall return, because otherwise I shall have a guilty feeling of ingratitude to a place that has been kind to me, however possessively. A curious reason, but it is a curious place. Perhaps I shall make the excuse of returning to see the Annunciation by Lorenzo Lotto in the little church of the Mercanti, surely one of the most beautiful pictures in the world. In any case, if I go in spring, I shall see again the peach blossoms against the snow as Leopardi could as he worked with a rug over his knees against the cold.

II. 'Remote and Pure'

GOUVERNEUR PAULDING

LEOPARDI. A STUDY IN SOLITUDE, by Iris Origo. British Book Centre. \$4.50.

IF A MAN has thought a great deal during his life, then what he transmits to posterity is his thought. He cannot transmit anything else—not his suffering, if he was a man who suffered a great deal, and not his joy, if he was a man who was very happy. It is only what he thought about happiness and misery that can be made intelligible to those who come after him, and then only to the extent that his thought has been expressed in memorable language.

That is why the biography of a poet is always misleading. The better written it is, the more misleading; the more dramatic, the more irrelevant. It leads away from the poet's work; it cannot prove his greatness.

The Marchesa Origo's study of Leopardi can only affirm that Leopardi is a great poet. Despite analysis and commentary, it cannot supply

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the demonstration. The poems alone can furnish that.

Leopardi wrote them in Italian and no paraphrase, no translation, no description can render them in English. No adjective has any value; the poems cannot be vulgarized. They remain remote and pure.

So we are left with this picture or that: with the fourteen thousand volumes in the library of the poet's father and with whatever we can imagine, or document, of the boy as he took one or the other of them down from the shelves, countering the classical figures that were to encumber his early verse, experiencing the first taste of a solitude that would be his lifetime companion. Leopardi thought it was his fate to be alone, and solitude humanity's peculiar destiny, but it did not occur to him that his father was as lonely as he, or that his sister, Paolina, was perhaps lonelier than both. He assumed loneliness for humanity, but failed to recognize it in the human beings close to him whom he might have made less lonely.

IT WAS almost as if he lived in a sort of geometrical desolation in which, for instance, a row of trees led to the horizon, the horizon to a succession of others prolonged into infinity, until a man gazing at any road knew only that he would be traveling upon it forever.

The world was beautiful indeed. No poet has looked closer at nature; there was this lonely hill, *quest'ermo colle*, that was always dear to him, there were the bright waters that he saw from Torre del Greco and the island across the Bay of Naples. But this loveliness masked death. Nature was the enemy. At a time when the intelligence of all Europe saw in nature man's natural friend, Leopardi—in this he was typically Italian—knew that the fields are as indifferent to the man who plows them as are the cold dead stars to each other.

Leopardi succeeded in communicating his loneliness. Otherwise he would have been simply another lonely man. Yet he remains an Italian poet—as Shelley remains a British poet. One final barrier no lyric poet can overcome. The language of aphorism and argument can be translated; the song only heard.

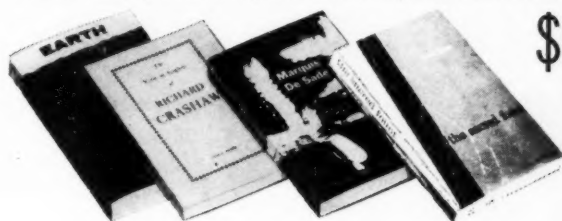
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Just imagine! This unique, world-wide shopping club will send to your door three surprise gift packages from across the seas... perhaps from the colorful native bazaars of North Africa, or from an island paradise in the Pacific, or from a sophisticated metropolis on the Continent, or from almost any exciting faraway corner of the globe. It may be an example of fine Florentine leather work from that historic city of the Renaissance, or it may be a package from mysterious Siam containing a strangely beautiful work of hand-wrought silver in symbolic design. You may receive an old-world wood carving from Switzerland, a handwoven creation from South America, or a sparkling piece of Swedish glassware, or a chic product of France. With each package will come the fascinating story of the origin and significance of the article you receive, adding its own special glamour to every shipment.

A Thrilling Surprise For You Every Month

Yes, being a member of Around-the-World Shoppers Club is like having Aladdin's Lamp for your very own—with far-ranging genies bringing you fabulous gifts from the remotest countries of the earth! You won't know what your gifts are until you open the packages. The only hint will be the stamps from some far-off land! We never know just



what unexpected find our representatives will happen upon. But this we do know: when you are a member of Around-the-World Shoppers Club, life becomes a more exciting, a more rewarding experience for you than it has ever been before.

3 Exotic Treasures For Only \$1.67 ea.

Ordinarily, the cost of three gifts would be \$7.50. By taking advantage of this new Membership drive you save \$2.50—so that the cost to you is an amazingly low \$1.67 for each gift, postage paid, and duty free! But even this bargain is guaranteed to be completely satisfactory to you. If not, just tell us so and your \$5.00 will be refunded at once! At our regular membership prices the values we give are often worth \$4 to \$6 each on the American market. This opportunity saves you \$2.50 more! Foreign nations are in urgent need of American dollars to support native industries. They are glad to offer tremendous merchandise values in exchange. Thus you get more for your money—and at the same time you are doing your bit to improve world conditions by lending a helping hand to our neighbors overseas.

You Pay Nothing Extra For Membership

It costs nothing to join the Around-the-World Shoppers Club. There are no membership fees or dues. You pay only for the regular monthly selections of merchandise. Your Special Introductory Membership pays for 3 monthly shipments from abroad, each from a different country—and remember, you receive your money back if not delighted with any or all of the articles!

Join Now and Save!

Better start your membership right now while this special price is still in effect. Use the coupon NOW. If subscribing for Gift Memberships—a grand idea—enclose names and addresses of recipients (they will receive handsome cards announcing your gift). But by all means, get your Trial Membership Application in the mail at once.

NOTE: The gifts are shipped directly to you from points of origin all over the world, prepaid. Thus, you become an importer without any of the headaches which usually attend importations. We guarantee that the gifts will be delivered to you without damage and that they will be worth much more than the price you pay.

Around-the-World Shoppers Club

Dept. 826-Y, 71 Concord Street, Newark 5, N. J.



Read What Members Say About the Club!

"It's such fun to belong to the Around-the-World Shoppers Club! When the mailman brings my exciting packages with foreign stamps on them, I become as excited as a little child on Christmas. I am never disappointed in the contents."

S.E., Milwaukee, Wisc.

"Delighted with the results. The gifts are very charming. In fact, I had originally thought I would use most of them for gifts and now find that I hate to part with them. I must congratulate you on this very unusual venture."

M.P., Jackson Heights, N.Y.

"My membership has been for fifteen months and I wish to continue for another year. I thoroughly enjoy reading, more than once, the romantic style of writing of the leaflet enclosed with each article. It takes me, for a while, to the very spot where the article was created."

Mrs. O.W.L., Akron, Ohio

"First, I want to say how terribly proud I am over my beautiful gifts. Can hardly wait for them to get to me, just like a birthday every month. Even my mailman is excited. He has his pocket knife ready to open them!"

L.C.L., Downey, Calif.

"All my gifts are very lovely and unusual. They all came carefully packed and in good condition. I am deeply grateful to you for your kindness and courtesy, and for your prompt and efficient service."

B.A.P., Ann Arbor, Mich.

"My husband and I have been members for six months now. The lovely gifts we've been receiving seem to get nicer every time. I am beginning to wonder just how nice the gifts can get! I want to congratulate you on the wonderful job your shoppers are doing."

Mrs. D.A., Alexander, La.

APPLICATION FOR 3-MONTH TRIAL MEMBERSHIP

Around-the-World Shoppers Club, Dept. 826-Y

71 Concord Street, Newark 5, N. J.

Please enroll me for 3-Month Trial Membership in Around-the-World Shoppers Club for which I enclose \$5.00. Upon your acceptance you are to send me three shipments of the Club's selections of foreign merchandise from their countries of origin postpaid and duty free. It is understood that if I am not delighted with each and every article received, you will refund my entire \$5.00 and I may keep the gifts! If you wish to avoid the bother of renewing your membership frequently you may enclose either of the following amounts:

- ☐ \$12 to pay for 7 shipments or (Check which you prefer)
☐ \$22 to pay for 13 shipments

Name..... (Please Print)

Address.....

City, Zone, State.....

(NOTE: All shipments come to you postpaid and duty-free. However, the U.S. Post Office Dept. charges a service fee of 1% for delivering foreign packages collected by your postman and cannot be prepaid.)

CANADA: 3 mos., \$5.50. Delivered to your home without payment of additional duty or postage: 871 St. Timothy St., Montreal 24, Que.